Calendar No. 262

100TH CONGRESS
1st Session

SENATE

REPORT
100-128

VETERANS' EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1987

REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 999

JULY 28 (legislative day, JUNE 23), 1987.—Ordered to be printed

73-611

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1987

5763-3

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VETERANS' EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1987

JULY 28 (legislative day, JUNE 23), 1987.—Ordered to be printed

Mr. CRANSTON, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany S. 999]

The Committee on Veterans' Affairs, to which was referred the bill (S. 999) to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause as follows:

[SECTION 1. SHORT TITLE; REFERENCE TO TITLE 38, UNITED STATES CODE.

[(a) SHORT TITLE.—This Act may be cited as the "Veterans' Employment and Training Amendments of 1987".

[(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

[SEC. 2. DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.

[Section 2003A(c) is amended in the matter preceding clause (1) by inserting "be functionally responsible to State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training and shall" after "shall".

[SEC. 3. LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

[(a) IN GENERAL.—(1) Section 2004 is amended to read as follows:

[“§ 2004. Local veterans’ employment representatives

[“(a)(1) The Secretary, acting through the Assistant Secretary for Veterans’ Employment and Training, shall make available for use in each State, directly or by grant or contract, such funds as may be necessary to support the assignment of local veterans’ employment representatives under this section.

[“(2) Funds provided for use in a State under this subsection shall be sufficient to support the assignment of—

[“(A) at least one full-time local veterans’ employment representative in each local employment service office (i) at which one thousand veterans registered during the 12-month period ending on the most recent June 30, or (ii) which has a service area in which five thousand veterans reside. One additional such representative shall be assigned to such office for each additional fifteen hundred veterans who registered at such office during such period or five thousand veterans who reside in such service area, whichever results in the assignment of the greater number of such representatives; and

[“(B) in the case of each local employment service office at which less than one thousand veterans registered during such period and which has a service area in which less than five thousand veterans reside, an individual serving as a local veterans’ employment representative on a part-time basis that bears the same proportion to full-time employment (rounded to the nearest one-eighth) as the number of veterans who registered during such period bears to one thousand or the number of veterans who reside in a service area bears to five thousand, whichever results in the higher fraction of full-time service.

[“(3) Each local veterans’ employment representative shall be a veteran. Preference shall be given in the assignment of such representatives to disabled veterans. If the Secretary finds that no disabled veteran is available for any such assignment, such assignment may be given to a veteran who is not a disabled veteran. The Secretary shall monitor the assignment of such representatives to ensure compliance with the provisions of this paragraph.

[“(b) Local veterans’ employment representatives shall be assigned, in accordance with this section, by the administrative head of the employment service in each State and shall be functionally responsible to State Directors for Veterans’ Employment and Training and Assistant State Directors for Veterans’ Employment and Training.

[“(c)(1) Except as provided in paragraph (2) of this subsection, the services of local employment representatives shall be fully devoted to discharging the duties and functions prescribed for State Directors for Veterans’ Employment and Training and Assistant Directors for Veterans’ Employment and Training in section 2003 of this title.

[“(2) The duties of local veterans’ employment representatives shall include providing, or facilitating the provision of, counseling services to veterans who, pursuant to section 5(b)(3) of the Veterans’ Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), are certified as eligible for participation under such Act.”.

[(2) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

[“2004. Local veterans’ employment representatives.”.

[(b) Effective Date.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act:

[(A) Paragraph (1) and (2) of subsection (a) of section 2004 of title 38, United States Code (as added by the amendment made by subsection (a)(1)) shall take effect on October 1, 1987.

[(B) Paragraph (3) of such subsection (as so added) shall take effect with respect to assignments made after the thirtieth day following the date of enactment of this Act.

[(2) Budgeting.—Section 2006(a) is amended—

[(A) in the fifth sentence—

[(i) by inserting “and the assignment of local veterans’ employment representatives under section 2004 of this title” after “title”; and

[(ii) by striking out “section” and inserting in lieu thereof “sections”; and

[(B) by amending the sixth sentence to read as follows; “Each budget submission with respect to such funds shall include separate listings of the proposed number, by State, of disabled veterans’ outreach program specialists appointed under section 2003A of this title and local veterans’ employment representatives assigned under section 2004 of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.".

[SEC. 4. PERFORMANCE OF LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES AND DISABLED VETERANS' OUTREACH SPECIALISTS.

[(a) Chapter 41 is amended by inserting after section 2004 the following new section:

["§ 2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

["(a)(1) The Secretary shall develop, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach specialists appointed under section 2003A of this title and local veterans' employment representatives assigned under section 2004 of this title and shall monitor the activities of such specialists and representatives.

["(2) Such standards shall be designed to provide for—

["(A) in the case of such specialists, the effective performance at the local of the duties and functions of such specialists under section 2003A (b) and (c) of this title.

["(B) in the case of such representatives, the effective implementation at local level of the duties and functions of such representatives under section 2004(c) of this title, and

["(C) the monitoring and rating activities prescribed by subsection (b) of this section.

["(b)(1) State Directors of Veterans' Employment and Training and Assistant State Directors of Veterans' Employment and Training shall regularly monitor the performance of such specialists and representatives through the application of such standards.

["(2) An Assistant State Director of Veterans' Employment and Training shall formally participate (by submitting recommendations and comments) in each annual performance rating of a local veterans' employment representative.".

[(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following:

["2004A. Performance of disabled veterans' outreach specialists and local veterans' employment representatives.".

[SEC. 5. INFORMATION REGARDING POTENTIAL EMPLOYERS.

[Section 2005 is amended—

[(1) by inserting "(a)" before "All"; and

[(2) by adding at the end the following new subsection:

["(b) For the purpose of assisting the Secretary and the Administrator in identifying employers with potential job training opportunities under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) and otherwise in order to carry out this chapter, the Secretary of Defense shall provide to the Secretary of Labor and to the Administrator (1) not more than thirty days after the date of the enactment of this subsection, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, and (2) thereafter, on the fifteenth day of each month, updated information regarding the list.".

[SEC. 6. CLARIFICATION OF RESPONSIBILITIES OF EMPLOYMENT SERVICE PERSONNEL.

[(a) STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003(c) is amended—

[(1) in clause (1), by inserting ", including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note)" after "programs"; and

[(2) in clause (2) by inserting "and otherwise to promote the employment of eligible veterans and eligible persons" after "opportunities".

[(b) DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.—Section 2003A(c) is amended—

[(1) in clause (4) by inserting "(including part C of title IV of the Job Partnership Act (29 U.S.C. 1501 et. seq.))" after "programs";

[(2) in clause (6), by inserting "(including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note))" after "programs"; and

[(3) by adding at the end the following new clause:

["(9) Provision of counseling services to veterans with respect to veterans' selection of and changes in vocations and veterans' vocational adjustment.".

[SEC. 7. NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICES INSTITUTE.

[(a) ESTABLISHMENT OF INSTITUTE.—Chapter 41 is further amended by adding at the end the following new section:

[“§ 2011B. National Veterans' Employment and Training Service Institute

[“In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job training, placement, and related services to veterans, the Secretary shall establish and operate a National Veterans' Employment and Training Service Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, and State and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job training, placement, or related services as the Secretary considers appropriate.”.

[(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is further amended by adding at the end the following new item:

[“2011B. National Veterans' Employment and Training Service Institute.”.

[SEC. 8. SHARING OF INFORMATION REGARDING EMPLOYERS.

[Section 2008 is amended—

[(1) by inserting “(a)” before “In”; and

[(2) by adding at the end the following new subsection:

[“(b) The Administrator shall require each regional office of the Veterans' Administration to provide to appropriate employment service offices and Department of Labor offices, as designated by the Secretary, on a monthly or more frequent basis the names and addresses of employers located in the area served by such regional office that offer a program of job training which has been approved by the Administrator under section 7 of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).”.

[SEC. 9. VETERANS' JOB TRAINING ACT AMENDMENTS.

[(a)(1) PAYMENTS TO EMPLOYERS.—The second sentence of section 8(a)(1) is amended to read as follows: “Subject to section 5(c) and paragraph (2), the amount paid to an employer on behalf of a veteran shall be—

[“(A) in the case of a program of job training of four or more months duration—

[“(i) for the first four months of such program, 30 per centum of the product of (I) the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during such months;

[“(ii) for any period after the first four months, 50 per centum of the product of (I) the actual hourly rate of wages paid to the veterans by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during that period; and

[“(iii) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for such first four months pursuant to subclause (i) if the percentage specified in subclause (i) of this clause were 50 per centum rather than 30 per centum; and

[“(B) in the case of a program of job training of less than four months duration—

[“(i) for the months prior to the final scheduled month of the program, 30 per centum of the product of (I) the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay), and (II) the number of hours worked by the veteran during the months prior to such final scheduled month;

[“(ii) for the final scheduled month of the program, 50 per centum of the product of (I) the actual hourly rate of wages paid to the veteran by the employer (without regard to overtime and premium pay), and (II) the number of hours worked by the veteran during that month, and

[“(iii) upon the veterans' successful completion of the program, the amount that would have been paid, above the amount that was paid, for the months prior to the final scheduled month of the program pursuant to subclause (i) of this subclause if the percentage specified in subclause (i) were 50 percent rather 30 per centum.

[(b) COUNSELING.—Section 14 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

[“(b) The Administrator and the Secretary shall jointly provide for—

["(1) a program under which a case manager is assigned to each veteran participating in a program of job training under this Act and periodic (not less than monthly) contact is maintained with each such veteran for the purpose of (A) avoiding unnecessary termination of employment, (B) referring the veteran to appropriate counseling, if necessary, and (C) facilitating the veteran's successful completion of such program;

["(2) a program of counseling services (to be provided pursuant to subchapter IV of chapter 3 of this title and sections 612A, 2003A, and 2004 of this title) designed to resolve difficulties that may be encountered by veterans during their training under this Act; and

["(3) a program of information services under which (A) each veteran who enters a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (i) through Veteran's Administration counseling and career development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of title 38, United States Code) and under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) and (ii) through other appropriate agencies in the community, and (B) veterans and employers are encouraged to request such services whenever appropriate.

["(c) Before a veteran who voluntarily terminates from a program of job training under this Act or is involuntarily terminated from such program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this Act, such veteran must be provided by the Administrator with appropriate vocational counseling in light of the veteran's termination.".

[(c) CONFORMING AMENDMENT.—Section 5(b)(3)(A) of such Act is amended by striking out "The" at the beginning of the first sentence and inserting in lieu thereof "Subject to section 14(c), the".

[(d) DATA ON PARTICIPATION.—Section 15 of such Act is amended by adding at the end the following new subsection:

["(f) The Secretary shall, not less frequently than a quarterly basis, collect from the heads of State employment security agencies and State Directors for Veterans' Employment and Training information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of veterans who receive counseling services pursuant to section 14, are referred to employers participating under this Act, participate in programs of job training under this Act, and complete such programs.".

[SEC. 10. REVISIONS OF NOMENCLATURE.

[(a) SECRETARY OF LABOR.—(1) Section 2001 is amended by adding at the end the following new paragraph:

["(7) The term 'Secretary' means the Secretary of Labor.".

["(2) Sections 2002A, 2003(a), 2003A (a)(1) and (d), 2005(a) (as redesignated by the amendment made by section 5(1)), 2006(a), 2007, 2008(a) (as redesignated by the amendment made by section 8(1)), 2009 and 2010(b) are amended by striking out "Secretary of Labor" each place it appears and inserting in lieu thereof "Secretary".

[(b) ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) Sections 2000, 2002, 2003A (a)(1), (3), and (5) and (d), 2006 (a) and (d), 2009(a)(1), and 2010(b) are amended by inserting "and Training" after "Assistant Secretary of Labor for Employment" each place it appears.

[(2)(A) The heading of section 2002A is amended to read as follows:

["§ 2002A. Assistant Secretary of Labor for Veterans' Employment and Training".

[(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

["2002A. Assistant Secretary of Labor for Veterans' Employment and Training.".

[(c)(1) STATE AND ASSISTANT STATE DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003 and 2003A(b)(2) are amended by inserting "and Training" after "State Director for Veterans' Employment" and "Assistant State Director for Veterans' Employment", respectively, each place those terms appear.

[(2)(A) The heading of section 2003 is amended to read as follows:

["§ 2003. State and Assistant State Directors for Veterans' Employment and Training".

[(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

[“2003. State and Assistant State Directors for Veterans' Employment and Training.”.]

and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the “Veterans' Employment, Training, and Counseling Amendments of 1987”.

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. ADMINISTRATION OF EMPLOYMENT AND TRAINING PROGRAMS.

(a) Section 2002A is amended—

(1) by inserting “(a)” before “There”; and

(2) by adding at the end the following new subsections:

“(b) The Secretary shall—

“(1) carry out all provisions of this chapter through the Assistant Secretary of Labor for Veterans' Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of disabled veterans, veterans of the Vietnam era, and all other eligible veterans and eligible persons;

“(2) in order to make maximum use of available resources, encourage all such programs and all grantees under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions;

“(3) ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Administrator with respect to (A) programs conducted under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 612A of this title, apprenticeship or other on-job training programs carried out under section 1787 of this title, and rehabilitation and training activities carried out under chapter 31 of this title, and (B) the Veterans' Job Training Act (Public Law 98-77, 29 U.S.C. 1721 note);

“(4) ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials;

“(5) subject to subsection (c)(2) of this section, make available for use in each State, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans' outreach program specialists appointed under paragraph (1) of section 2003A(a) of this title, and (ii) local veterans' employment representatives assigned under section 2004(b) of this title, and (B) to support the reasonable expenses of such specialists and representatives for training, travel, supplies, and fringe benefits, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Service Institute established under section 2010A of this title;

“(6) monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under this paragraph (5) of this subsection; and

“(7) monitor the appointment of disabled veterans' outreach specialists and the assignment of local veterans' employment representatives in order to ensure compliance with the provisions of section 2003A(a)(1) and 2004(a)(4), respectively.

“(c)(1) The distribution and use of funds under subsection (b)(5) of this section in order to carry out sections 2003A(a) and 2004(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 2003A or 2004 of this title.

“(2) In determining the terms and conditions of a grant or contract under which funds are made available in a State under subsection (b)(5) of this section in order to carry out section 2003A(a) or 2004 (a) and (b) of this title, the Secretary shall take into account (A) the evaluations, carried out pursuant to section 2003(c)(13) of this title, of the performance of local employment offices in the State, and (B) the results of the monitoring, carried out pursuant to paragraph (1) of this subsection, of the use of funds under subsection (b)(5) of this section.

"(d) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Director for Veterans' Employment and Training.".

(b) CONFORMING AND CLERICAL AMENDMENTS.—(1) Section 2003A is amended—

(A) in subsection (a)—

(i) by striking out paragraphs (1), (3), and (5) and redesignating paragraphs (2) and (4) as paragraphs (1) and (2), respectively;

(ii) in paragraph (1) (as so redesignated) (I) by amending the first sentence to read as follows: "The amount of funds made available for use in a State under section 2002A(b)(5)(A)(i) of this title shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in such State"; (II) in the third, fourth, and fifth sentences, by inserting "qualified" before "disabled" each place it appears; and (III) in the fifth sentence, by inserting "qualified" after "any"; and

(iii) in paragraph (2) (as so redesignated), by striking out "paragraph (2) of"; and

(B) by striking out subsection (d).

(2) Section 2006 is amended—

(A) in subsection (a), by striking out the last sentence; and

(B) in subsection (d), by striking out "of Labor, upon the recommendation of the Assistant Secretary of Labor for Veterans' Employment,".

(3)(A) Section 2009 is repealed.

(B) The table of sections at the beginning of chapter 41 is amended by striking out the item relating to section 2009.

SEC. 3. LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) IN GENERAL.—(1) Section 2004 is amended to read as follows:

"§ 2004. Local veterans' employment representatives

"(a)(1) The total of the amount of funds made available for use in the States under section 2002A(b)(5)(A)(ii) of this title shall be sufficient to support the assignment of 1,600 full-time local veterans' employment representatives and the States' administrative expenses associated with the assignment of that number of such representatives and shall be allocated to the several States so that each State receives funding sufficient to support—

"(A) the number of such representatives who were assigned in such State on January 1, 1987, plus one additional such representative;

"(B) the percentage of the 1,600 such representatives for which funding is not provided under clause (A) of this paragraph which is equal to the average of (i) the percentage of all veterans residing in the United States who reside in such State, (ii) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in such State, and (iii) the percentage of all full-service local employment offices in the United States which are located in such State; and

"(C) the State's administrative expenses associated with the assignment of the number of such representatives for which funding is allocated to the State under clauses (A) and (B) of this paragraph.

"(2)(A) The local veterans' employment representatives allocated to a State pursuant to paragaph (1) of this subsection shall be assigned by the administrative head of the employment service in the State, with the concurrence of the State Director for Veterans' Employment and Training, so that as nearly as practical (i) one full-time such representative is assigned to each local employment office at which a total of at least 1,100 eligible veterans and eligible persons is registered for assistance, (ii) one additional full-time such representative is assigned to each such local employment office for each 1,500 such individuals above 1,100 such individuals who are so registered at such office, and (iii) one half-time such representative is assigned to each local employment office at which at least 350 but less than 1,100 such individuals are so registered.

"(B) In the case of a local employment office at which less than 350 such individuals are so registered, the head of such office (or the designee of the head of such office) shall be responsible for ensuring compliance with the provisions of this title providing for priority services for veterans and priority referral of veterans to Federal contractors.

"(3) For the purposes of this subsection, an individual shall be considered to be registered for assistance with a local employment office during a program year if the individual—

"(A) registered, or renewed such individual's registration, for assistance with the office during that program year; or

"(B) so registered or renewed such individual's registration during a previous program year and, in accordance with regulations which the Secretary shall prescribe, is counted as still being registered for administrative purposes.

"(4) Each local veterans' employment representative shall be a veteran. Preference shall be given in the assignment of such representatives to qualified disabled veterans. If the Secretary finds that no qualified disabled veteran is available for any such assignment, such assignment may be given to a qualified veteran who is not a disabled veteran.

"(b) Local veterans' employment representatives shall be assigned, in accordance with this section, by the administrative head of the employment service in each State.

"(c)(1) The services provided by local veterans' employment representatives shall be subject to the functional supervision specified in section 2003(c)(1)(A) of this title.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, the work of local veterans' employment representatives shall be fully devoted to discharging at the local level the duties and functions specified in section 2003 (c)(1)(B) and (c)(2) through (12) of this title.

"(B) The duties of local veterans' employment representatives shall include providing, or facilitating the provision of, counseling services to veterans who, pursuant to section 5(b)(3) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), are certified as eligible for participation under such Act.".

(2) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2004. Local veterans' employment representatives.".

(b) BUDGETING.—Section 2006(a) is amended—

(1) in the fifth sentence—

(A) by striking out "to fund the disabled veterans' outreach program under section 2003A" and inserting in lieu thereof "in all of the States for the purposes specified in paragraph (5) of section 2002A(b) of this title and to fund the National Veterans' Employment and Training Service Institute under section 2010A"; and

(B) by striking out "such section" and inserting in lieu thereof "such sections"; and

(2) by amending the sixth sentence to read as follows: "Each budget submission with respect to such funds shall include separate listings of the proposed numbers, by State, of disabled veterans' outreach program specialists appointed under section 2003A(a)(1) of this title and local veterans employment representatives assigned under section 2004(b) of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.".

(c) REPORTING REQUIREMENTS.—Subsection (c) of section 2007 is amended to read as follows:

"(c) Not later than February 1 of each year, the Secretary shall report annually to the appropriate committees of the Congress on the success during the preceding fiscal year of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter and programs for the provision of employment and training services to meet the needs of veterans. The report shall include—

"(1) specification, by State, of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, special disabled veterans, and eligible persons who registered for assistance with the public employment service system and, of each such categories, the numbers referred to and placed in jobs, the numbers referred to and placed in jobs and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service;

"(2) any determination made by the Secretary during the preceding fiscal year under section 2006 of this title or subsection (a)(2) of this section and a statement of the reasons for such determination;

"(3) a report on activities carried out during the preceding fiscal year under sections 2003A and 2004 of this title; and

"(4) a report on the operation during the preceding fiscal year of programs for the provision of employment and training services designed to meet the needs of veterans, including an evaluation of the effectiveness of such programs during such fiscal year in meeting the requirements of section 2002A(b) of this title, the efficiency with which services were provided under such programs during such year, and such recommendations for further legislative action (including the need for any changes in the formulas governing the appointment of disabled veterans' outreach program specialists under section 2003A(a)(2) of this title and the assignment of local veterans' employment representatives under section 2004(b) of this title and the allocation of funds for the support of such specialists and representatives) relating to veterans' employment as the Secretary considers appropriate.".

SEC. 4. PERFORMANCE OF DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS AND LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.

(a) IN GENERAL.--Chapter 41 is amended by inserting after section 2004 the following new section:

"§ 2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

"(a)(1) After consultation with State employment agencies or their representatives, or both, the Secretary shall prescribe, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach program specialists appointed under section 2003A(a) of this title and local veterans' employment representatives assigned under section 2004(b) of this title and shall monitor the activities of such specialists and representatives.

"(2) Such standards shall be designed to provide for—

"(A) in the case of such specialists, the effective performance at the local level of the duties and functions of such specialists specified in section 2003A (b) and (c) of this title,

"(B) in the case of such representatives, the effective implementation at the local level of the duties and functions specified in paragraphs (1)(B) and (2) through (12) of section 2003(c) of this title, and

"(C) the monitoring and rating activities prescribed by subsection (b) of this section.

"(3) Such standards shall include as one of the measures of the performance of such a specialist the extent to which the specialist, in serving as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), facilitates rates of successful completion of training by veterans participating in programs of job training under that Act.

"(4) In entering into an agreement with a State for the provision of funding under section 2002A(b)(5) of this title, the Assistant Secretary of Labor for Veterans' Employment and Training personally may make exceptions to such standards to take into account local conditions and circumstances, including the employment, counseling, and training needs of the eligible veterans and eligible persons served by the office or offices to which the exception would apply.

"(b)(1) State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training shall regularly monitor the performance of the specialists and representatives referred to in subsection (a)(1) of this section through the application of the standards required to be prescribed by such subsection (a)(1).

"(2) A State Director for Veterans' Employment and Training, or a designee of such Director, shall submit to the head of the employment service in the State recommendations and comments in connection with each annual performance rating of a disabled veterans' outreach program specialist or local veterans' employment representative in the State.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following:

"2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives.".

SEC. 5. WAIVER OF RESIDENCY REQUIREMENT FOR CERTAIN STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.

Section 2003(b)(1) is amended—

(1) by inserting "(A)" after "(1)";

(2) by redesignating clauses (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting in clause (i), as redesignated by clause (2), ", except as provided in subparagraph (B) of this paragraph," after "shall"; and

(4) by adding at the end the following new subparagraph:

"(B) The Secretary, where the Secretary determines that it is necessary to consider for appointment as a State Director for Veterans' Employment and Training an eligible veteran who is an Assistant State Director for Veterans' Employment and

Training and has served in that capacity for at least 2 years, may waive the requirement in subparagraph (A)(i) of this paragraph that an eligible veteran be a bona fide resident of a State for at least 2 years in order to be eligible to be assigned as a State Director for Veterans' Employment and Training. In the event of such a waiver, preference shall be given to a veteran who meets such residency requirement and is equally as qualified for the position of State Director as such Assistant State Director.".

SEC. 6. SHARING OF INFORMATION REGARDING POTENTIAL EMPLOYERS.

(a) BETWEEN THE DEPARTMENTS OF DEFENSE AND LABOR.—Section 2005 is amended—

(1) by inserting "(a)" before "All"; and

(2) by adding at the end the following new subsection:

"(b) For the purpose of assisting the Secretary and the Administrator in identifying employers with potential job training opportunities under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) and otherwise in order to carry out this chapter, the Secretary of Defense shall provide to the Secretary and to the Administrator (1) not more than 30 days after the date of the enactment of this subsection, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, and (2) thereafter, on the fifteenth day of each month, updated information regarding the list.".

(b) BETWEEN THE VETERANS' ADMINISTRATION AND THE DEPARTMENT OF LABOR.—(1) Section 2008 is amended—

(A) by inserting "(a)" before "In"; and

(B) by adding at the end the following new subsection:

"(b) The Administrator shall require each regional office of the Veterans' Administration to provide to appropriate employment service offices and Department of Labor offices, as designated by the Secretary, on a monthly or more frequent basis, the name and address of each employer located in the area served by such regional office that offers a program of job training which has been approved by the Administrator under section 7 of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).".

(2)(A) The heading of section 2008 is amended to read as follows:

"§ 2008. Cooperation and coordination".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2008. Cooperation and coordination.".

SEC. 7. RESPONSIBILITIES OF PERSONNEL.

(a) STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.—Section 2003(c) is amended—

(1) in clause (1)—

(A) by inserting "(A) functionally supervise the provision of services to eligible veterans and eligible persons by such system and such program and their staffs, and (B)" after "(1)"; and

(B) by inserting ", including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note)" after "programs";

(2) in clause (2), by inserting "and otherwise to promote the employment of eligible veterans and eligible persons" after "opportunities";

(3) in clause (11), by striking out "and" at the end;

(4) in clause (12), by striking out the period and inserting in lieu thereof "; and"; and

(5) by adding at the end the following new clause:

"(13) not less frequently than annually, conduct an evaluation at each local employment office of the services provided to eligible veterans and eligible persons and make recommendations for corrective action as appropriate.".

(b) DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS.—Section 2003A(c) is amended—

(1) in clause (4), by inserting "(including part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.))" after "programs";

(2) in clause (6), by inserting "(including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note))" after "programs"; and

(3) by adding at the end the following new clauses:

"(9) Provision of counseling services to veterans with respect to veterans' selection of and changes in vocations and veterans' vocational adjustment.

"(10) Provision of services as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).".

SEC. 8. NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE INSTITUTE.

(a) ESTABLISHMENT OF INSTITUTE.—Chapter 41 is further amended by adding at the end the following new section:

"§ 2010A. National Veterans' Employment and Training Service Institute

"In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, placement, and related services to veterans, the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Service Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, State Directors for Veterans' Employment and Training, and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, counseling, placement, or related services to veterans as the Secretary considers appropriate.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is further amended by adding at the end the following new item:

"2010A. National Veterans' Employment and Training Service Institute.".

SEC. 9. STUDY OF UNEMPLOYMENT AMONG CERTAIN DISABLED VETERANS AND VIETNAM THEATER VETERANS.

(a) IN GENERAL.—Chapter 41 is further amended by adding at the end the following new section:

"§ 2010B. Special unemployment study.

"(a) The Secretary, through the Bureau of Labor Statistics, shall conduct, on a biennial basis, studies of unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam era and promptly report to the Congress on the results of such studies.

"(b) The first study under this section shall be completed not later than July 1, 1988.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 is amended by adding at the end the following new item:

"2010B. Special unemployment study.".

SEC. 10. SECRETARY'S COMMITTEE ON VETERANS' EMPLOYMENT.

Clause (1) of section 2010(b) is amended—

(1) by redesignating subclauses (D), (E), and (F) as subclauses (E), (F), and (G), respectively;

(2) by inserting after subclause (C) a new subclause, as follows:

"(D) the Secretary of Education;"

(3) by striking out "and" at the end of subclause (F) (as so redesignated);

(4) by adding at the end of the following new subclause:

"(H) the Postmaster General; and".

SEC. 11. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) EXPANSION OF ELIGIBILITY.—(1) Paragraph (1) of section 5(a) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) is amended to read as follows:

"(1) To be eligible for participation in a job training program under this Act, a veteran must—

"(A) be unemployed at the time of applying for participation in a program under this Act;

"(B)(i) have been unemployed for at least 10 of the 15 weeks immediately preceding the date of such veteran's application for participation in a program under this Act; or

"(ii)(I) have been terminated or laid off from employment as the result of a plant closing or major reduction in the number of persons employed by the veteran's prior employer, and (II) have no realistic opportunity to return to employment in the same or similar occupation in the geographical area where the veteran previously held employment; and

"(C)(i) have served in the active military, naval, or air service for a period of more than 180 days; or "(ii)(I) have been discharged or released from the active military, naval, or air service for a service-connected disability; or (II) be entitled to compensation (or but for the receipt of retirement pay be entitled to compensation)."

(2) Section 3(3) of such Act is amended—

(A) by striking out " 'Korean conflict' " and "(9)"; and

(B) by striking out " 'State', and 'Vietnam era'," and "(24), and 29" and inserting in lieu thereof "and 'State' " and "and (24)", respectively.

(b) COUNSELING.—(1) Section 14 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) The Administrator and the Secretary shall jointly provide for—

"(A) a program under which, except as provided in paragraph (2), a disabled veterans' outreach program specialist appointed under section 2003A(a) of title 38, United States Code, is assigned as a case manager for each veteran participating in a program of job training under this Act, the veteran has an in-person interview with the case manager not later than 60 days after entering into a program of training under this Act, and periodic (not less frequent than monthly) contact is maintained with each such veteran for the purpose of (i) avoiding unnecessary termination of employment, (ii) referring the veteran to appropriate counseling, if necessary, (iii) facilitating the veteran's successful completion of such program, and (iv) following up with the employer and the veteran in order to determine the veteran's progress in the program and the outcome regarding the veteran's participation in and successful completion of the program;

"(B) a program of counseling services (to be provided pursuant to subchapter IV of chapter 3 of such title and sections 612A, 2003A, and 2204 of such title) designed to resolve difficulties that may be encountered by veterans during their training under this Act; and

"(C) a program of information services under which (i) each veteran who enters into a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (I) under subparagraphs (A) and (B), (II) through Veterans' Administration counseling and career-development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of such title) and under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), and (III) through other appropriate agencies in the community, and (ii) veterans and employers are encouraged to request such services whenever appropriate.

"(2) No case manager shall be assigned pursuant to paragraph (1)(A) in the case of the employees of an employer if the Secretary determines that—

"(A) the employer has an appropriate and effective employee assistance program that is available to all veterans participating in the employer's programs of job training under this Act; or

"(B) the rate of veterans' successful completion of the employer's programs of job training under this Act, either cumulatively or during the previous program year, is 60 percent or higher.

"(c) Before a veteran who voluntarily terminates from a program of job training under this Act or is involuntarily terminated from such program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this Act, such veteran must be provided by the Administrator with appropriate vocational counseling in light of the veteran's termination.".

(2) Section 7(d) of such Act is amended—

(A) by redesignating paragraph (12) as paragraph (13); and

(B) inserting after paragraph (11) the following new paragraph:

"(12) That, as applicable, the employer will provide each participating veteran with the full opportunity to participate in a personal interview pursuant to section 14(b)(1)(A) during the veteran's normal workday.".

(c) DISCONTINUANCE OF APPROVAL OF PARTICIPATION IN PROGRAMS OF EMPLOYERS WITH UNSATISFACTORY COMPLETION RATES.—Section 11 of such Act is amended—

(1) by inserting "(a)" after "SEC. 11."; and

(2) by adding at the end the following new subsection:

"(b)(1) If the Secretary, after consultation with the Administrator and in accordance with regulations which the Administrator and the Secretary shall jointly prescribe to carry out this subsection, determines that the rates of veterans' successful completion of an employer's programs of job training previously approved by the Administrator for the purposes of this Act is disproportionately low, the Administrator shall disapprove participation in such programs on the part of veterans who had not begun such participation on the date that the employer is notified of the disapproval.

"(2)(A) A disapproval under paragraph (1) shall remain in effect until such time as the Administrator determines that adequate remedial action has been taken. In determining whether the remedial actions taken by the employer are adequate to ensure future avoidance of a disproportionately low rate of successful completion, the Administrator may, except in the case of an employer which the Secretary determines meets the criteria specified in clause (A) or (B) of section 14(b)(2), consider the likely effects of such actions in combination with the likely effects of using the payment formula described in subparagraph (B) of this paragraph. If the Administrator finds that the combined effects of such actions and such use are adequate to ensure future avoidance of such a rate, the Administrator may revoke the disapproval with the revocation conditioned upon such use for a period of time that the Administrator considers appropriate under the circumstances.

"(B) The payment formula referred to in subparagraph (A) is a formula under which, subject to sections 5(c) and 8(a)(2), the amount paid to the employer on behalf of a veteran shall be—

"(i) in the case of a program of job training of 4 or more months duration—

"(I) for the first 4 months of such program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during such months;

"(II) for any period after the first 4 months, 50 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that period; and

"(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for such first 4 months pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent; and

"(ii) in the case of a program of job training of less than 4 months duration—

"(I) for the months prior to the final scheduled month of the program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during the months prior to such final scheduled month;

"(II) for the final scheduled month of the program, 50 percent of the product of the actual hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that month; and

"(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for the months prior to the final scheduled month of the program pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent.".

(d) Authorization of Appropriations.—Section 16 of such Act is amended—

(1) by inserting "(a)" before "There";

(2) in subsection (a) (as so designated)—

(A) by inserting after the first sentence the following new sentence: "There is also authorized to be appropriated, in addition to the appropriations authorized by the preceding sentence, $60,000,000 for each of the fiscal years 1988 and 1989 for the purpose of making payments to employers under this Act."; and

(B) in the final sentence, by striking out "1989" and inserting in lieu thereof "1991"; and

(3) by adding at the end the following new subsection:

"(b) Notwithstanding any other provision of law, any funds appropriated under subsection (a) for any fiscal year which are obligated for the purpose of making payments under section 8 on behalf of a veteran (including funds so obligated which previously had been obligated for such purpose on behalf of another veteran and were thereafter deobligated) and are later deobligated shall immediately upon deobligation become available to the Administrator for obligation for such purpose. The further obligation of such funds by the Administrator for such purpose shall not be required, directly or indirectly, to be delayed in any manner by any officer or employee in the executive branch.".

(e) Deadlines for Veterans' Applications and Entry into Training.—Section 17 of such Act is amended to read as follows:

"SEC. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who initially applies for a program of job training under this Act after June 30, 1989; or

"(2) for any such program which begins after December 31, 1989.".

(f) CONFORMING AMENDMENT.—Section 5(b)(3)(A) of such Act is amended by striking out "The" at the beginning of the first sentence and inserting in lieu thereof "Subject to section 14(c), the".

(g) DATA ON PARTICIPATION.—Section 15 of such Act is amended by adding at the end the following new subsection:

"(f) The Secretary shall, on a not less frequent than quarterly basis, collect from the heads of State employment services and State Directors for Veterans' Employment and Training information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of veterans who receive counseling services pursuant to section 14, who are referred to employers participating under this Act, who participate in programs of job training under this Act, and who complete such programs, and the reasons for veterans' noncompletion.".

SEC. 12. REVISIONS OF NOMENCLATURE.

(a) SECRETARY OF LABOR.—(1) Section 2001 is amended by adding at the end the following new paragraph:

"(7) The term 'Secretary' means the Secretary of Labor.".

(2) Sections 2002A, 2003 (a) and (b)(2), 2005(a) (as redesignated by the amendment made by section 6(a)(1)), 2006(a), 2007, 2008(a) (as redesignated by the amendment made by section 6(b)(1)), and 2010(b) are amended by striking out "Secretary of Labor" each place it appears (except where preceded by "Assistant") and inserting in lieu thereof "Secretary".

(3) The first sentence of section 2010(b) is amended by striking out "The" and inserting in lieu thereof "Notwithstanding section 2002A(b)(1) of this title, the".

(b) ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) Sections 2000(2) 2002, 2002A(a) (as redesignated by section 2(a)) and 2010(b) are amended by inserting "and Training" after "Assistant Secretary of Labor for Veterans' Employment" each place it appears.

(2)(A) The heading of section 2002A is amended to read as follows:

"§ 2002A. Assistant Secretary of Labor for Veterans' Employment and Training; national programs".

(B) The item relating to such section in the table of sections at the beginning of Chapter 41 is amended to read as follows:

"2002A. Assistant Secretary of Labor for Veterans' Employment and Training; national programs.".

(c) STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING.—(1) Sections 2003 and 2003A(b)(2) are amended by inserting "and Training" after "State Directors for Veterans' Employment" each place those terms appear.

(2)(A) The heading of section 2003 is amended to read as follows:

"§ 2003. State and Assistant State Directors for Veterans' Employment and Training".

(B) The item relating to such section in the table of sections at the beginning of chapter 41 is amended to read as follows:

"2003. State and Assistant State Directors for Veterans' Employment and Training.".

SEC. 13. EFFECTIVE DATE.

The provisions of and amendments made by this Act shall take effect on October 1, 1987.

INTRODUCTION

S. 999 was introduced on April 9, 1987, by the Chairman of the Committee, Senator Alan Cranston, and was cosponsored by Committee Members Spark M. Matsunaga and Dennis DeConcini. Joining later as cosponsors were Committee Members George J. Mitchell, John D. Rockefeller IV, Bob Graham, and Strom Thurmond, and Senators John F. Kerry, Quentin N. Burdick, and Paul Simon. As introduced, S. 999 contained provisions which would: (1) Require that Disabled Veterans' Outreach Program Specialists (DVOPs) be functionally responsible to State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training; (2) create a statutory funding formula for Local Veterans' Employment Representatives (LVERs); (3) require the Secretary of Labor to establish and implement uniform performance standards for DVOPs and LVERs; (4) require the Secretary of Defense to provide the Administrator of Veterans' Affairs and the Secretary of Labor with the names of employers participating in the National Committee for Employer Support of the Guard and Reserve; (5) clarify the responsibilities of state employment service personnel; (6) require the Secretary of Labor to establish and operate a National Veterans' Employment and Training Service Institute; (7) require the Administrator to provide state employment services and Department of Labor offices with the names of employers who offer approved programs of job training under the Veterans' Job Training Act (VJTA); and, (8) modify the formula for reimbursing employers for their costs incurred in training veterans under VJTA and make certain improvements in the counseling services available to veterans training under VJTA.

On April 21, Senator Cranston, for himself and Committee Members Matsunaga, DeConcini, and Rockefeller, submitted Amendment No. 160, a substitute text for S. 999, which would modify the bill so as to add provisions authorizing VJTA appropriations of $60 million for each of fiscal years 1988 and 1989 and extending the deadlines for veterans to apply for participation under VJTA and to enter into VJTA training programs from July 2, 1987, to June 30, 1989, and from January 2, 1988, to December 31, 1989, respectively; and to make certain other changes and technical corrections in S. 999.

On April 30, 1987, the Committee held a hearing on Amendment No. 160 to S. 999. At the request of the Chairman, the preponderance of the hearing was chaired by Senator Rockefeller. Testimony was received from Veterans' Administration Chief Benefits Director John Vogel; Assistant Secretary of Labor for Veterans' Employment and Training Donald E. Shasteen; representatives of employers participating in VJTA (Raleigh County Memorial Airport, Beaver, West Virginia; Hernandez Electric Company, Phoenix, Arizona; McDonnell Douglas Corporation, Long Beach, California; and Town and Country Electric, Inc., Appleton, Wisconsin); and representatives of The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, AMVETS, the Paralyzed Veterans of America, the Blinded Veterans Association, and the Vietnam Veterans of America.

After carefully reviewing the testimony from the hearing, the Committee met in open session on May 14, 1987, and voted to report S. 999 favorably to the Senate with an amendment in the nature of a substitute incorporating provisions derived from Amendment No. 160 and certain amendments proposed by Committee members.

SUMMARY OF S. 999 AS REPORTED

S. 999 as reported (hereinafter referred to as the "Committee bill") contains amendments to chapter 41 of title 38, United States Code, and to the Veterans' Job Training Act (VJTA), which would:

AMENDMENTS TO CHAPTER 41

1. Require that the Secretary of Labor's administration of veterans' employment, training, and related programs in all cases (unless provided to the contrary) be through the Assistant Secretary of Labor for Veterans' Employment and Training.
2. Expand the requirement that the Secretary coordinate and consult with the Administrator of Veterans' Affairs with respect to the implementation of VJTA and all veterans' employment, job training and related programs.
3. Require the Secretary to assign a Regional Director for Veterans Employment and Training for each region in which there is a Department of Labor regional office.
4. Require the Secretary (a) to make available to the states funding sufficient for 1,600 LVER positions (and related reasonable administrative expenses) nationwide; (b) to allocate to each state funds sufficient for the number of LVERs that it had on January 1, 1987, plus one additional LVER, and to allocate funding for the remaining LVER positions up to 1,600 pursuant to a formula based on (1) the state's veteran population, (2) the number of veterans registered at local employment offices in the state, and (3) the number of full-service employment offices in the state, and (c) allocate to each state sufficient funding for the reasonable administrative expenses associated with the assignment of the LVERs for which it receives funding. Within each state the LVERs would be assigned to local employment offices so that, as nearly as practicable, each office with at least 1,100 registrants would have a full-time LVER and one additional full-time LVER for each 1,500 additional registrants. A half-time LVER would be assigned at an office with at least 350 but less than 1,100 registrants. At an office with fewer than 350 registrants, the local office manager would be responsible for compliance with provisions in existing law requiring priority services for veterans and priority referral of veterans to Federal contractors.
5. Require the Secretary to monitor and supervise the distribution and use of LVER funding.
6. Require that persons assigned after October 1, 1987, as LVERs be veterans and that preference be accorded to qualified service-connected disabled veterans, and mandate the Secretary to monitor compliance with these requirements.
7. Require that the Department of Labor's annual budget include estimates of the funding necessary for the assignment of 1,600 LVERs (and related administrative expenses) and the operation of the Veterans' Employment and Training Service Institute, and data demonstrating compliance with a requirement that the Secretary approve the submission only if the proposed funding level is in compliance with the funding required by the provision described in item 4 above.

8. Redefine the responsibilities of LVERs so as to require that their work be fully devoted to certain employment, training, and related programs for veterans and that LVERs duties include providing, or facilitating the provision of, counseling services to veterans certified as eligible for participation under VJTA.

9. Require the Secretary, after consultation with state employment agencies or their representatives, to prescribe, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach program specialists (DVOPs) and LVERs and to monitor their activities.

10. Allow the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) personally to make an exception to the nationally prescribed performance standards to take into account local conditions and circumstances.

11. Require State Directors and Assistant State Directors for Veterans' Employment and Training (SDVETs and ASDVETs) regularly to monitor the performance of DVOPs and LVERs through the application of performance standards.

12. Require each SDVET or designee to submit to the head of the employment service in the state recommendations and comments in connection with the employment service's annual performance rating of a DVOP or LVER in the State.

13. Authorize the ASVET, where the Assistant Secretary determines it necessary, to allow an ASDVET with 2 years of experience to be considered for appointment as an SDVET by waiving the current 2-year state-residency requirement for appointment as an SDVET but require that preference be given any equally qualified veteran who meets the state-residency requirement.

14. Require the Secretary of Defense to provide to the Secretary of Labor and the Administrator of Veterans' Affairs the list of employers participating in the National Committee for Employer Support of the Guard and Reserve.

15. Require the Administrator to require Veterans' Administration (VA) regional offices to provide to appropriate employment offices the names and addresses of employers offering approved training programs under VJTA.

16. Require SDVETs and ASDVETs to supervise functionally the provision of services to eligible veterans and eligible persons by the state employment services and their personnel, certain other Federal or federally-assisted programs, and state programs.

17. Make SDVETs and ASDVETs functionally responsible for the supervision of the registration and placement of veterans under VJTA and responsible for, in addition to engaging in job development and advancement activities, otherwise promoting the employment of eligible veterans and eligible persons in addition to their responsibilities.

18. Require SDVETs and ASDVETs to conduct not less frequently than annually an evaluation of the services provided to eligible veterans and eligible persons at each local employment office and make recommendations for corrective action as appropriate.

19. Require the Secretary, in determining the terms and conditions of a grant or contract under which funds are made available to a state, to take into consideration the SDVET's and ASDVET's evaluations of the performance of local employment offices and the

results of the Secretary's monitoring and supervision of the distribution and use of DVOP and LVER funding.

20. Require DVOPs to (a) provide grantees under part C of title IV of the Job Training Partnership Act with assistance in furnishing services to veterans, (b) consult and coordinate with representatives of the VJTA program, (c) provide counseling services to veterans with respect to their selection of and changes in vocations and their vocational adjustment, (d) provide services as a case manager for veterans participating in the VJTA (see item 25, below).

21. Require the Secretary to establish, and make available such funds as may be necessary to operate, a National Veterans' Employment and Training Service Institute (NVETSI) for the training of DVOPs, LVERs, SDVETs, ASDVETs, and such other personnel involved in the provision of employment, job training, counseling, placement, or related services to veterans as the Secretary considers appropriate.

22. Require the Secretary to conduct a study every 2 years on unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam era.

23. Expand the scope of existing reporting requirements so as to require the Secretary to report annually on the effectiveness of employment and training services to meet the needs of veterans and on the activities of LVERs.

24. Add representatives of the Postmaster General and the Secretary of Education to the Secretary's Committee on Veterans' Employment.

VETERANS' JOB TRAINING ACT AMENDMENTS

25. Expand VJTA eligibility (a) to eliminate the requirement for service during the Korean conflict or Vietnam era, and (b) to eliminate the requirement of unemployment for at least 10 of the 15 weeks immediately preceding the date of application for a veteran who is unemployed as the result of a plant closing or other major employment reduction and who has no realistic opportunity to return to employment in the same or similar occupation in the same geographic area.

26. Require the Secretary and Administrator to provide for case-managers for VJTA trainees—except in the circumstances described in item 26, below. DVOPs would be assigned as case managers for VJTA trainees and DVOPs would be required to conduct a personal interview with each VJTA trainee within 60 days after the initiation of training (employers would be required to agree to provide their VJTA trainees with adequate opportunity during work time to participate) and make appropriate contact with the trainee not less than monthly thereafter. The purpose of case management would be to avoid unnecessary termination of employment, to make referrals to appropriate counseling, to facilitate successful completion of training, and to follow-up to determine the outcome of the veteran's participation in VJTA.

27. Case managers would not be assigned for trainees placed with an employer which the Secretary determines has an appropriate and effective employee assistance program available to its VJTA

trainees, or where the rate of veterans' successful completion of an employer's VJTA programs is 60 percent or higher, either cumulatively or during the previous program year.

28. Require appropriate VA counseling before the Administrator may issue a new or renewed VJTA certificate of eligibility to a veteran who failed to complete a VJTA job training program.

29. Require the Administrator and Secretary to expand counseling and information services for VJTA trainees.

30. Require the Administrator, upon the Secretary's determination that an employer has a disproportionately low VJTA completion rate, to disapprove new enrollments of veterans in the employer's VJTA programs until the Administrator determines that successful remedial action has been taken; and authorize the Administrator, except in the case of an employer described in item 26, above, to condition the reinstatement of approval on the use of a modified payment formula under which payments to the employer for the initial months (up to the first 4) would be reduced from 50 percent to 30 percent of the veteran's starting wage and the amount so withheld would be paid to the employer upon the veteran's completion of the job training program.

31. Authorizing an appropriation of $60 million for each of fiscal years 1988 and 1989 for VJTA, and extend the deadlines for eligible veterans to apply for, and to enter into, VJTA training by approximately 1½ years.

32. Require the Secretary to collect, at least quarterly, data from the states with respect to the numbers of veterans who receive counseling services in connection with VJTA training, are referred to VJTA employers, participate in job training under VJTA, complete such training and data with respect to the reasons for non-completions.

33. Require that when VJTA funds which have been obligated in connection with a veteran's entry into a VJTA job training program are de-obligated because the veteran leaves the training program before it is completed, the de-obligated funds would automatically become available to the VA for re-obligation for payments under VJTA.

Discussion

BACKGROUND

Chapter 41 Amendments

Basically, chapter 41 of title 38, United States Code, "Job Counseling, Training, and Placement Service for Veterans", provides for veterans' job and job-training counseling and placement service programs, and employment service programs for eligible veterans and certain other eligible persons, and requires that the Assistant Secretary of Labor for Veterans' Employment and Training provide these services through the Veterans' Employment and Training Service (VETS) within the Department of Labor. To this end, the VETS is required to provide a maximum of employment and training opportunities to veterans, with priority given to the needs of disabled veterans and veterans of the Vietnam era. The VETS works in close cooperation with and through individual State employment agencies in order to provide these services.

A further component of the Federal-State relationship in this regard is the provision of Federal funding for disabled veterans' outreach program specialists (DVOPs) and local veterans' employment representatives (LVERs) who provide job counseling, training, and placement services to veterans.

The basic purpose of the Committee bill is to improve the provisions of employment, counseling, job-training, and related services and opportunities to veterans through revisions of chapter 41 and the Veterans' Job Training Act.

In fiscal year 1987, the Department of Labor is funding 1,894 DVOPs at a cost of $69,450,000 and 1,379 LVERS at a cost of $56,983,000. Although the DVOPs and LVERs are fully federally-funded, the persons serving in these positions are employed by the individual state employment agencies and for the most part are located in Job Service offices throughout each state; the law requires that in each state at least 25 percent of the DVOPs be outstationed.

In addition, SDVETs and ASDVETs in each State are appointed by, report to, and are under the administrative direction of, the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) in the U.S. Department of Labor. The SDVETs and ASDVETs serve as the representatives of the ASVET in each state in carrying out the ASVET's responsibility to ensure that state employment agencies, through their LVERs and DVOPs, are providing services to veterans in compliance with chapter 41 of title 38, United States Code. The Committee bill focuses on and seeks to make more efficient and effective the relationship between individual state employment agencies and the ASVET in order to enhance employment and training services for veterans.

A major goal of the Committee bill is to enhance the effectiveness of employment and training services furnished to veterans by providing for greater accountability and professional development for the federally-funded workforce of 3,273 DVOPs and LVERs across the country and to stabilize that number at approximately 3,500.

At the Committee's April 30 hearing, witness after witness stressed that, during a period of severe fiscal restraint and exceptionally keen competition for limited federal resources, it is imperative that the federal dollars expended for veterans' employment and training services be stretched as far as possible. According to the testimony of Dennis K. Rhoades, Director, The American Legion's National Economic Commission, Ronald W. Drach, the Disabled American Veterans' National Director of Employment, Dr. Robert E. David, Executive Director of the South Carolina Employment Security Commission, and Ronald L. Sager, the 1983 Outstanding DVOP in the United States, the best way to accomplish this with respect to veterans' employment and training programs would be to build upon the Federal-State partnership by incorporating additional sound managerial principles into the current $126.4 million nationwide program of LVERs and DVOPs—managerial principles which would promote excellence in the programs in order to meet veterans' persistent training and employment needs.

Against this background, the Committee bill seeks to provide a comprehensive approach for the creation of a more stable, professional DVOP/LVER workforce nationwide to furnish employment referral, counseling, job-training, and related services to eligible veterans.

Veterans' Job Training Act Amendments

The Veterans' Job Training Act (VJTA) is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act, Public Law 98-77 and was extended and amended in 1984, 1985, and 1986. The Committee bill would amend VJTA to authorize VJTA appropriations of $60 million for each of fiscal years 1988 and 1989 and expand the eligibility to include veterans of all periods of service and eliminate the length-of-unemployment criterion for certain veterans, and make a number of changes designed to enhance veteran-participants' rates of successful completion of VJTA training.

ADMINISTRATION OF EMPLOYMENT AND TRAINING PROGRAM

Section 2 of the Committee bill would (1) consolidate in section 2002A of title 38 various provisions of chapter 41 relating to the responsibilities of the Secretary of Labor and Assistant Secretary of Labor for Veterans' Employment and Training (ASVET), and, (2) expressly require that, except as otherwise specifically provided, the Secretary must administer through the ASVET all veterans' employment and training programs under the Secretary's jurisdiction and all of the provisions of chapter 41.

The existing requirement (in section 2009(a)(3)) for the Secretary to ensure maximum effectiveness and efficiency in providing services and assistance to eligible veterans by coordinating and consulting with the Administrator with respect to various programs administered by the VA would be recodified in section 2002A and expanded to encompass VJTA. The Committee notes that such coordination between the Secretary and the Administrator is essential to the success of the VJTA given that currently the VA is responsible generally for: (1) determining veteran eligibility for the program; (2) approving participating employers' programs of job training; (3) making payments to employers; and (4) conducting compliance surveys of employers. The Department of Labor (DOL) is generally responsible for: (1) counseling, (2) coordination with business and industry, and (3) promoting the development of employment and job training opportunities for veterans through employers. Both the VA and the DOL are responsible for conducting an outreach and information program to inform veterans about the employment and training opportunities under VJTA.

Current-law provisions (in section 2003A) requiring funds to be made available for the salaries and expenses of DVOPs would be recodified in section 2002A and combined with similar, new provisions requiring funds to be made available for the salaries and expenses of LVERs in accordance with the proposed funding formula for LVER support set forth in the amendment proposed in section 3 of the Committee bill. A requirement for the provision of funding for DVOPs' and LVERs' attendance at the National Veterans' Employment and Training Institute would also be made explicit in section 2002A.

The existing provisions (in section 2003A(a)) requiring the Secretary (in effect the ASVET by virtue of the requirement in present section 2009(a)(1) for the Secretary to act through the ASVET) to monitor and supervise the distribution and use of DVOP funding and providing that the distribution of DVOP funding shall not be governed by law or regulations other than the pertinent chapter 41 provisions would also be recodified in section 2002A and expanded to cover LVERs.

Similarly, a provision requiring the Secretary to monitor the appointments of DVOPs and to ensure compliance with provisions requiring preference for certain disabled veterans, would be recodified in section 2002A and, in conjunction with a new provision requiring preference for service-connected disabled veterans in the assignment of LVERs, expanded to cover the assignment of LVERs.

In a provision adding significantly to the accountability of the Secretary for employment programs, the Committee bill would require the Secretary, in determining the conditions of a grant or contract under which funds are made available in a state, to take into account the evaluations of local employment offices in the state conducted by SDVETs and ASDVETs pursuant to section 7 of the Committee bill. The Committee notes that, at its April 30th hearing, every major veterans' service organization stressed the need for improved monitoring of the furnishing of veterans' employment and training services and for overall accountability by the states to DOL. To this end, the Committee has added an additional tool by which the Secretary can achieve accountability—contract management.

The Committee bill would further require the Secretary to employ and assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as Regional Director for Veterans' Employment and Training (RDVET).

This provision is in response to the testimony of the Disabled American Veterans, The American Legion, and the Vietnam Veterans of America at the Committee's April 30 hearing. When the position of RDVETS was first established in June 1975, there was one in each of the ten Labor Department regional offices. Over the last several years, the number of RDVETs has been reduced to seven. The number of DOL regional offices has remained at ten, leaving only VETS with a truncated regional structure among the Department of Labor major programs.

The Committee notes that the need for a strong regional vets structure would be greater under the Committee bill than it is under current law. That is because one of the goals of the Committee bill is to increase the accountability of state employment agencies—and their federally-funded DVOPs and LVERs—in providing mandated services to veterans. A full complement of regional directors would significantly assist the Assistant Secretary and his or her small national staff in monitoring and enforcing compliance with the new performance standards and functional requirements proposed in the Committee bill.

The Committee stresses that this provision would require only parity, not special treatment, for veterans' programs. In any case in which the Secretary closes an entire regional office, the position of RDVET could be eliminated for that region. However, the Secretary would be required to appoint RDVETs to serve in all ten regions which now or in the future have Department of Labor regional offices without RDVETs.

LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES

Section 3 of the Committee bill would: (1) require the Secretary of Labor to make available to the states funds sufficient for 1,600 LVER positions nationwide and associated administrative expenses, to allocate to each state the number of LVERs that it had on January 1, 1987, plus one additional LVER, and to allocate funding for the remaining LVER positions up to 1,600 pursuant to a new funding formula; (2) require the head of a state's employment service to assign LVERs to local employment offices so that, as nearly as practical, each office with at least 1,100 veteran-registrants would have a full-time LVER and one additional full-time LVER for each 1,500 registrants over the initial 1,100 and each local employment office with at least 350 but less than 1,100 veteran-registrants would have one half-time LVER; (3) require the local employment office manager to be responsible for insuring compliance with the provisions of title 38 providing for priority services for veterans and priority referral of veterans to federal contractors; (4) add a definition of "registrants" for services; (5) require that each LVER assigned after September 30, 1987, be a veteran and that preference be given to qualified service-connected disabled veterans; (6) add to the statutory duties of LVERs the provision, or facilitating the provision, of counseling to veterans certified for participation in job training under VJTA; (7) require the Secretary to include in the Department of Labor's annual budget submission to the Congress the amounts necessary for the support of LVERs pursuant to the new funding formula; (8) expand the existing requirement for a separate listing in the budget of the proposed number, by state, of DVOPs to include also a separate listing, by state, of LVERs and information demonstrating that the submission complies with the new LVER funding formula provision; and (9) specify that the annual report to the Congress on the success of the Department of Labor and its affiliated employment services will be due on February 1 of each year, and expand the report's scope.

Sufficient funds for 1,600 LVERs; LVER funding formula.—The basic intent of this provision is the creation of a professional workforce of LVERs nationwide to furnish employment and training services to veterans consistently and effectively without disruptions due to budget reduction proposals, such as have been proposed in recent years. A stable workforce (in this case 1,600 LVERs) would allow the Secretary to count on year-to-year stability in the staff which furnishes services to veterans and enhance the Secretary's ability to carry out program planning.

Dr. Robert E. David, Executive Director, South Carolina Employment Security Commission (and also Chairman of the Veterans Affairs Committee, Interstate Conference of Employment Security Agencies, Inc.), testified in strong support of the steady workforce of LVERs, as follows:

> The best feature in the proposal . . . is the guarantee that adequate staff *will* be provided with some degree of stability. That, Mr. Chairman, is a problem that has afflicted the entire employment security system in recent years—budgets being yo-yo-ed up and down without regard to workload or needs. If this bill can bring stability to the staffing of the Employment Service for veterans' programs, then you will have done the veteran, the system, and the nation a very great service. (Emphasis in original.)

S. 999 as introduced proposed a formula that would have required one LVER for each local employment office at which 1,000 veterans were registred during the 12-month period ending on the most recent June 30 or which has a service area in which 5,000 veterans reside. One additional LVER would have been required for each additional 1,500 veterans registered or 5,000 veterans residing in the service area. At the Committee's April 30, 1987 hearing, the proposal to establish a statutory funding formula based on both the number of veteran-registrants and veteran population received support from all seven veterans' service organizations giving testimony. The statement of Dennis K. Rhoades, Director, National Economic Commission of The American Legion, is representative of the support for such a provision:

> We are also pleased to note that S. 999 includes a provision for an additional LVER in a local office for every 1,500 applicants above the 1,000 which mandate full-time status. . . . Anyone who has ever visited in a local employment office in a large city or high unemployment area recognizes that the workload of a conscientious LVER is overwhelming, and that providing each veteran applicant who visits and/or registers in that office with high quality service is nearly impossible. Moreover, it is apparent when one reviews the level of services in a large employment office, that veterans are, as a general rule, underserved. We believe that the additional LVER will greatly alleviate that problem.

Further, Dr. David testified:

> You are correct, I believe, in choosing a formula which takes into account several factors in determining actual positions. . . . The number of veterans residing in a given area is a valid measure. At the same time, the number of veterans registered with the Employment Service also is a valid indication of how many individuals may be seeking service. Neither factor alone tells the true story, but taken together, they do provide a fairly accurate picture.

The Committee notes that it made changes in the original language (as described above) of the LVER-allocation formula for several reasons: (1) balance, *i.e.*, the allocation of the LVER workforce among the states would take into account the different factors which affect workload: number of veterans, number of registrants, and number of local offices, (2) equity, *i.e.*, the basic formula provides that each state would receive at least one additional LVER to help off-set the overall reductions in LVERs over the past several years, and (3) continuity, *i.e.*, the basic, codified formula for 1,600 LVERs would not be subject to annual fluctuation and uncertainty as a result of the budget process that could endanger services to veterans.

The testimony noted above contributed substantially to the development of the provision adopted by the Committee. Under the Committee bill, each state (the District of Columbia, Puerto Rico, and the Virgin Islands each being considered a state) would receive funding sufficient to support the number of LVERs which were assigned to it on January 1, 1987—1,379 LVERs in all the states according to the Department of Labor, or an average of 26 per state. In addition, each state would receive one additional LVER currently for a total of 1,432 LVERs or an average of 27 per state. Finally, each state would further receive funding to support a percentage of the difference between 1,432 LVERs and 1,600 LVERs, or 168 LVERs, according to a formula giving equal weight to: (1) the percentage of all veterans residing in the United States who reside in the state, (2) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in the state, and (3) the percentage of all full-service employment offices in the state.

In addition, the Committee bill would require that the states also be provided with funds sufficient to cover the administrative expenses associated with the assignment of the number of LVERs allocated to the state under the foregoing formula. According to the Department of Labor, the states' LVER administrative expenses—or administration and management of the LVER program by the states—are approximately 8 percent of the LVER funds provided to the states. This provision of the Committee bill requires the Secretary to provide funding for these expenses. The Committee also notes that the 8-percent add-on to the 1,600 LVERs for AS&T costs, the equivalent of 128 "overhead" positions, would bring the total funded staff years for the LVER program to 1,728.

Assignment of LVERs.—Under the Committee bill, the LVERs allocated to each state would be assigned to local employment offices within the state so that, as nearly as practicable, each office with at least 1,100 registrants would have a full-time LVER; one additional LVER would be assigned for each 1,500 additional registrants above the initial 1,100 registrants; and one half-time LVER would be assigned to each local employment office at which at least 350 but less than 1,000 such individuals are registered. At an office with fewer than 350 registrants, the local office manager would be responsible for ensuring compliance with provisions in existing law requiring priority services for veterans and priority referral of veterans to Federal contractors.

Currently, under DOL regulations (20 CFR 652.123 (a)(1)), at least one full-time LVER must be assigned in each "Service Delivery Point" (*i.e.,* local employment office) which has 1,000 new or renewed applications from veterans or eligible persons during the most recent 12-month reporting period, unless a waiver based on demonstrated lack of need is granted by the ASVET.

According to information provided by the Department of Labor, there are 168 local employment offices which have 1,500 registrants above the initial 1,100 registrants specified in the Committee bill.

The Committee notes that there is no full-service local employment office on the 25,000 square mile Navajo reservation in northeast Arizona to serve the approximately 3,600 Veitnam-era veterans who reside on the reservation. In light of the remoteness and size of the reservation, this lack of service poses a significant problem of lack of access to employment and training services for many veterans who are Navajo Indians in need of assistance. Thus, the Committee urges that the ASVET consult with the leadership of the Arizona Department of Employment Security (ADES) and the Navajo tribe so that maximum consideration be given to the goal of furnishing of employment and training services to veterans on the reservation. More specifically, the Committee recommends that consideration be given to the provision of itinerant LVER services at Tuba City and Kayenta and the service of a full-time LVER at Chinle, which is centrally located—particularly if negotiations between the Navajo tribe and the ADES result in establishing an ADES office in Chinle. Such assignments would, of course be made from the number of LVERs allocated to Arizona under the Committee's proposed LVER formula. The Committee also urges that, to the maximum extent practicable, LVERs assigned to serve veterans on the reservation have Navajo-speaking ability.

Preference for Disabled Veterans.—The Committee bill would require that persons assigned as LVERs after September 30, 1987, be veterans and that preference in hiring be given to qualified service-connected disabled veterans. The Committee wishes to make clear that this provision would not affect current LVERs who are not veterans. A similar requirement already exists, in section 2003A(a) of title 38, with respect to DVOPs and appears to be working very well, and the addition of a requirement of veteran status and a preference for service-connected disabled veterans received strong support from the veterans' service organizations at the Committee's hearing. The Committee acknowledges that many individual employment services have had a good record over the years in hiring veterans as LVERs and that many LVERs who are not veterans rank high in professionalism and in commitment to their responsibilities. However, the Committee views this provision as still another opportunity for state employment agencies "to lead by example", as they have by hiring disabled veterans as DVOPs.

The technical revisions in the bill relating to the DVOP disabled veteran hiring preference are not intended in any to change the structure of, but only to codify, the way that program has been implemented—that preference would be given to disabled veterans when there are 2 qualified candidates of approximately equal merit.

Duties of LVERs.—The Committee bill would require that the work of LVERs be fully devoted to discharging, at the local level, the employment, training, and associated duties relating to the duties and functions of SDVETs and ASDVETs. The Committee is optimistic that clear language requiring LVERs to serve veterans exclusively will help eliminate any unintentional or deliberate misuse of LVERs. The Committee also wishes to make clear here that its intent is not to suggest that only LVERs and DVOPs should provide employment and training services to veterans. According to the Department of Labor, over half of the services provided to veterans by state employment agencies are provided by personnel other than DVOPs and LVERs. The Committee notes with approval the conscientious work of state employment agency personnel in this area.

The Committee bill would require that the duties of LVERs include providing, or facilitating the provision of, counseling to veterans certified for participation in job training under VJTA. This provision is designed to improve the current 60 percent non-completion rate under VJTA. The Committee notes Assistant Secretary for Veterans' Employment and Training Shasteen's testimony that he believes LVERs (and DVOPs) can provide this service and that he has directed the development of such a counseling module at the National Veterans Training Institute in Denver, Colorado, which trains LVERs and DVOPs.

Budgeting for LVERs.—The Committee bill would amend section 2006(a) of title 38 to require that the Secretary include in the Department of Labor's annual budget: (1) the estimated funding needed for the assignment and support of 1,600 LVERs and the associated administrative expenses; (2) listing data, by state, of LVERs, and (3) information demonstrating the compliance of the budget submission with the requirement that the Secretary approve the submission only if the proposed funding level is in compliance with the funding formula for LVERs.

This provision, which replicates for the LVER program the language currently in section 2006 with respect to budgeting for the DVOP program, is designed to help achieve compliance with the proposed funding formula for LVERs in the Committee bill, thus enhancing the continuity of employment and training services for veterans and helping bring stability to the LVER workforce.

PERFORMANCE STANDARDS FOR LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES AND DISABLED VETERANS' OUTREACH PROGRAM SPECIALISTS

Section 4 of the Committee bill would add to chapter 41 of title 38 a new section 2004A, entitled "Performance of local veterans' employment representatives and disabled veterans' outreach program specialists", which would (1) require the ASVET, after consultation with state employment agencies or their representatives, to prescribe—and provide for the implementation and application of—standards for the performance of DVOPs and LVERs and to monitor their activities, (2) allow the ASVET personally to make an exception to these performance standards to take into account local conditions and circumstances, (3) require SDVETs and ASD-

VETs regularly to monitor the performance of DVOPs and LVERs through the application of these perfromance standards, and (4) require each SDVET or designee to submit to the head of the employment service in the state recommendations and comments in connection with each annual performance rating of a DVOP or LVER in the state.

S. 999 as introduced and as proposed to be amended by Amendment No. 160 contained a provision to add this proposed new section 2004A. However, a number of changes were made in the proposed new section, in response to concerns raised at the Committee's April 30 hearing. Thus, in order to promote participation, cooperation, and coordination in the development of performance standards by those professional persons in the states who would be held accountable for meeting the standards, a provision was added to require the ASVET to consult with state employment agencies or their representatives before prescribing the standards. The Committee bill also includes a provision proposed at the hearing by the AMVETs that would allow an ASVET personally to make an exception to the prescribed performance standards to take into account local conditions and circumstances such as differing local economies.

Also in response to concerns voiced at the Committee hearing, the Committee bill includes a provision to require each SDVET or designee to submit to the head of the state's employment agency recommendations and comments in connection with each annual performance rating of a DVOP or LVER in the state instead of the proposed requirement in S. 999 as introduced for the SDVET or ASDVET to participate formally in the ratings. In this regard, the Committee stresses that the bill as reported does not prescribe the specific nature of participation of SDVETs or their designees in the performance appraisal process. It is the intent of the Committee to leave to the ASVET the formulation of the general guidelines with respect to such matters as whether the SDVET participation would occur before or after completion of the DVOP's or LVER's rating by his or her superiors in the employment services, whether the SDVET or designee may in some cases be asked by the state employment agency head to participate actively in the development of the rating, whether the SDVET or designee might submit comments when particular problems arise, and the extent to which variations in these and other matters would be permissible. Moreover, the Committee intends that the ASVET's guidelines should seek to avoid conflict with the general personnel procedures of the various state merit systems under which LVERs and DVOPs are employed.

The Committee views performance standards as a basic tenet of sound public management and intends that they be designed to (1) assure that high-quality employment and training services are furnished through DVOPs and LVERs, and (2) provide a basis for facilitating, developing, and maintaining high standards of professionalism for the DVOP and LVER programs, for which the Department of Labor expends a total of more than $125 million annually. The Committee notes that at the hearing the ASVET stated that he supports the development and implementation of specific standards of performance for DVOP staff and LVER staff, and, upon enactment of this provision, proposes to develop prototype standards and tailor them to meet each state's merit system requirements through negotiations with SDVETs. The Committee notes that in some states DVOPs' position descriptions do not explicitly delineate their duties and functions. The Committee intends that the ASVET ensure that position descriptions are in place for DVOPs as a required first-step toward the implementation of performance standards.

Although currently not required by statute, participation by SDVETs or ASDVETs in performance review of DVOPs or LVERs is not entirely new. As stated in the written testimony of Ronald L. Miller, Ph.D., Executive Director of the Blinded Veterans Association, who served as a SDVET for 6 years in California, many SDVETs and ASDVETs have made it a practice to review and comment on the performance of LVERs and DVOPs during their annual evaluation of local employment office services to veterans.

WAIVER OF RESIDENCY REQUIREMENT FOR CERTAIN STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING

Section 5 of the Committee bill would provide that the ASVET, upon determining it to be necessary, may allow an Assistant SDVET with 2 years of experience to be considered for an appointment as a SDVET, by waiving the current 2-year state residency requirement in section 2003(b)(1) of title 38 for appointment as a SDVET. In the event of such a waiver, preference would be required to be given to any equally qualified veteran who meets the state residency requirement.

At the April 30 hearing, the Veterans of Foreign Wars, the Disabled American Veterans, and the Vietnam Veterans of America strongly urged such a provision in order to provide advancement opportunities for talented ASDVETs, many of whom have shown outstanding ability and attributes and are willing to relocate in conjunction with an opportunity for upward mobility.

The Committee bill includes an amendment proposed by Senator Strom Thurmond to require that preference be given a veteran who meets the residency requirement and is equally qualified for the SDVET position as the ASDVET candidate.

SHARING OF INFORMATION REGARDING EMPLOYERS

Section 6 of the Committee bill would require the Secretary of Defense to provide to the Secretary of Labor and the Administrator the list of employers participating in the National Committee for Employer Support of the Guard and Reserve (NCESGR) and require each VA regional office to provide to appropriate employment service and Department of Labor offices the name and addresses of VJTA employers in the area served by the VA regional office.

These provisions are both designed to help facilitate VA, Labor Department and employment service efforts to encourage greater employer awareness of, and participation in, the VJTA program.

With respect to the requirement for informing VA and the Labor Department about NCESGR participants, the Committee notes that NCESGR maintains a listing of approximately 350,000 employers who have demonstrated an interest in and commitment to assisting citizen soldiers, many of whom have veterans status, as well as a willingness to participate in Government-sponsored private-sector programs. The Committee believes that these employers could be a rich potential source of job-training for veterans under VJTA. The Commmittee also notes that the usage of the NCESGR list by VA regional offices and local employment offices should help expand the universe of employers participating in VJTA. Such an expansion would appear desirable given that the universe of veterans eligible for VJTA would be opened to veterans of all periods of service under the Committee bill.

RESPONSIBILITIES OF PERSONNEL

Section 7 of the Committee bill would (1) require SDVETs and ASDVETs to supervise functionally the provision of services to eligible veterans and eligible persons by the state employment services and the coordination of certain other federal or federally-assisted programs and state programs; (2) make SDVETs and ASDVETs functionally responsible for the supervision of the registration and placement of veterans under VJTA and responsible for otherwise promoting the employment of eligible veterans and eligible persons; (3) require SDVETs and ASDVETs to conduct, not less frequently than annually, evaluations of the services provided to eligible veterans and eligible persons at each local employment office and make recommendations for corrective action as appropriate; (4) require the Secretary of Labor, in determining the terms and conditions of a grant or contract under which funds are made available to a state, to take into consideration the SDVET's and ASDVET's evaluations of the performance of local employment offices; (5) require DVOPs to (a) provide grantees under part C of title IV of the Job Training Partnership Act with assistance in furnishing services to veterans, (b) consult and coordinate with representatives of the VJTA program, (c) provide counseling services to veterans with respect to their selection of and changes in vocations and their vocational adjustment, and (d) provide services as case managers for veterans participating in VJTA.

Functional supervision of state services.—With respect to the proposed requirement that SDVETs and ASDVETs functionally supervise the provision of services to veterans by state public employment service systems and by other employment or training programs, the Committee notes that, under current regulations, 20 CFR 653.214 "Assignment and Role of State Veterans' Employment Representatives", such supervision is already required with respect to LVERs. Thus, the effect of the Committee bill in practice would be to expand the concept of functional supervision to encompass the provision of services to veterans by DVOPs and other local employment office service providers. Such services include registration, interviewing, counseling, testing, referral to supportive services, job development, and job/training referral.

This approach would not impose a dual management structure on the LVER or DVOP program. The Committee intends "functional" supervision by SDVETs to be distinct from "line" supervision by local employment office managers. Functional supervision by

SDVETs/ASDVETs, as is currently required in applicable Labor Department regulations (20 CFR section 653.214), "consist of assisting state agency personnel in carrying out services to veterans and eligible persons and evaluating their performance. Functional supervision shall entail providing technical assistance, making suggestions for improvement of services, helping to plan programs and projects, checking for compliance with ETA regulations affecting veterans, helping to correct errors by working with local and state staffs, analyzing work as it affects veterans and eligible persons, training new state agency employees and providing refresher courses for state agency staff, bringing matters which require corrective action to the attention of those state agency personnel who have authority over policy, procedures and staff. Functional supervision does not authorize a SDVET or ASDVET to hire, fire, discipline or issue directives to state agency employees. Nor does it authorize an SDVET or ASDVET to make regulations, change procedure or establish policies for the state agency without specific authority from the state agency."

In the Committee's view, the assignment of functional responsibility should have several positive impacts: First, it makes clearer the authority and responsibility of both the state agency and SDVETs and ASDVETs; second, it would facilitate the development of more nationally uniform position descriptions, and reduce the potential for misuse of these positions by some state agencies; and, third, it would promote a more effective and accountable relationship between the ASVET and the state employment agencies through which DVOPs and LVERs are employed.

New duties.—SDVETs' and ASDVETs' functional responsibility for supervising the registration and placement of veterans would be made expressly applicable to the VJTA program, and their duty to engage in certain job-development and job-advancement activities would be expanded to include the general responsibility "otherwise to promote the employment of eligible veterans and eligible persons".

In response to concerns raised at the Committee's hearing regarding the 60-percent non-completion rate among veterans who have participated in training under VJTA, the Committee has added a provision to make SDVETs and ASDVETs functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and counseling and placement of persons in the VJTA. The Committee believes that the implementation of the proposed case manager approach under VJTA and the additional counseling of VJTA trainees by DVOPs and LVERs—coupled with greater attention paid to the provision of services as a result of a statutory requirement for functional supervision by SDVETs—should have a positive impact on the VJTA program's success rate.

Evaluations of local employment offices.—The Committee bill would generally codify the current regulatory requirement under 20 C.F.R. 653.214(d)(11) for the ASVET to "review the performance of large local offices at least once each fiscal year on a formal, comprehensive, in-depth basis, and . . . periodically review smaller local offices which evidence problems in providing services to veterans and eligible persons until the problems are resolved." Under the Committee bill, SDVETs/ASDVETs would be required to conduct annual or more frequent evaluation of the services provided to veterans and other eligible persons by each local employment office in their state and make recommendations for corrective action as appropriate. In the Committee's view, such evaluations should determine the extent to which local employment offices are, through DVOPs, LVERs, and other staff, providing quality registration, interviewing, counseling, testing and assessment, supportive-services referral, job development, and job and training referral services to veterans and other eligible persons.

The Committee bill also includes a provision requiring the ASVET, in determining the terms and conditions under which funds are made available to a state, to take into consideration—as is currently done in the vast majority of states at present—the SDVET's and ASDET's evaluations of the performance of local employment offices.

The Committee notes that $126.4 million in federal tax money is being spent in the current fiscal year to fund a workforce of 3,273 DVOPs and LVERs. If these DVOP or LVER funds are not used correctly, veterans and eligible persons will not benefit from priority employment and training services—with which they are intended to be provided—and society in general will lose due to higher unemployment among veterans. Moreover, the Committee intends that the federal/state-grantor/grantee relationship be one of sound business practices. In those cases in which services are not adequately provided by the state—based on the established terms and conditions of the contract—remedial action is warranted.

Functions of DVOPs.—The Committee bill would also make a series of amendments to section 2003A(c) of title 38 relating to the functions of DVOPs. In order to enhance participation by veterans in training programs under part C of title IV of JTPA, DVOPs would be required to provide title IV grantees with assistance in furnishing services to veterans. This assistance might in some cases be only technical in nature—such as explaining the availability of benefits and resources that are available for veterans—or perhaps more direct in terms of identifying disabled veterans in need of JTPA services and referring them, with an appointment, for such services.

In addition, the Committee bill would require DVOPs to consult and coordinate with employers, agencies, and organizations participating in or providing services in support of VJTA, in order to promote employment opportunities and assistance for veterans.

Finally, DVOPs would also be required to counsel veterans on their selection of and changes in vocations and their vocational adjustment. Under a related VJTA amendment (in section 10(b) of the Committee bill) aimed at improving training-program completion rates under VJTA, DVOPs would assume various counseling functions and would also serve as case managers for veterans participating in VJTA.

The Committee notes that, during the April 30 hearing, the ASVET testified that he has already directed the development of a counseling module at the National Veterans Training Institute (for which section 8 of the Committee bill would provide a statutory basis). This would help to ensure that DVOPs are properly trained to carry out this provision of the Committee bill. Development of the counseling module, and provision of such training also would help prepare DVOPs to fulfill their duties as case managers for veterans participating in VJTA.

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICE INSTITUTE

Section 8 of the Committee bill would amend Chapter 41 of title 38 to add a new section 2010A, entitled "National Veterans' Employment and Training Service Institute", requiring the ASVET to establish and make available such funds as may be necessary to operate a National Employment and Training Service Institute (NVETSI) for the training of DVOPs, LVERs, SDVETs, ASDVETs, and such other personnel involved in the provision of employment, job training, counseling, placement, or related services to veterans as the ASVET considers appropriate.

The incumbent ASVET, Donald E. Shasteen, created the National Veterans' Training Institute administratively in September 1986; the first training session started on January 11, 1987. As of May 2, 1987, there had been 16 sessions of the Institute, attended by a total of 384 persons. The Committee views the training provided by the Institute as an important and worthwhile investment in the 3,300 DVOPs and LVERs who furnish employment and training service to veterans on a daily basis.

As the ASVET has recognized, training and staff development are integral to the success of an organization—not only in terms of professional development but also in terms of staff productivity and organizational effectiveness. As stated in Peters and Waterman's *In Search of Excellence,* America's best-run companies are those which take staff development seriously and treat it as an investment in their effectiveness. Moreover, staff development and job-related training are not a frill or just "nice to have". For organizational effectiveness they are imperative.

At present, the Institute provides week-long training programs designed to improve the skills of LVERs, DVOPs, and others in providing employment and training services to veterans. The goal of the Institute is to enhance the quality of services provided to veterans by the Department of Labor through its affiliated state employment agencies. There are 24 participants in each training class, with a minimum of 80 percent being LVERs and DVOPs. The other participants are local employment office managers and other state employment agency and U.S. Department of Labor staff.

The training curriculum is designed to reinforce the "whole person" concept and, in addition, to meet the specific training needs of the participants. The sequence of training is identified in five major skill areas, as follows:

1. Roles and responsibilities of LVERs and DVOPs. This session focuses on knowledge of chaper 41 and how the law is being implemented within the various states.

2. How to handle client situations. Skills in handling personal and job-related stress, including post-traumatic stress disorder are taught.

3. Communications skills. Every participant is involved in learning and practicing listening skills, responding skills, and advocacy skills. Non-verbal communication is given a great deal of attention. Positive and effective communication techniques for working with clients as well as peer and supervisory relationships are emphasized.

4. Marketing skills. The "whole person" concept introduced in the first day of each session is greatly expanded in the marketing skills training. Participants are given an employer's perspective of veterans' employment and training programs. Client-assessment techniques and practice in developing model marketing plans are stressed with attention given to those factors which help clients become job-ready.

5. Employability Development Plan (EDP). In the EDP segment of the training, participants experience the client point of view as well as develop skills in preparing EDPs for individual clients. Networking skills are also developed and self-directed job search techniques are addressed.

The Institute is funded under a grant from the Veterans' Employment and Training Service to the Colorado Department of Labor and Employment (DCLE). The operational responsibilities for the grant were subcontracted by the CDLE to the University of Colorado at Denver. The present cost per participant is approximately $1,152 and includes all travel, lodging, and meals.

As quoted in the hearing testimony of Ronald W. Drach, the DAV's national director of employment, some comments of recent NVTI participants were:

> The week I attended proved to be one of the most intense weeks I have had in a long time. After getting back to reality, I found that I had gained something from every presentation, even the ones that I had considered not useful. (DVOP)
>
> It was not only enlightening, but definitely the best that I have ever attended. (LVER)
>
> I recently completed one of the most enlightening experiences of my career—a training course which, by the time it was over, became a very personal, emotional, and fulfilling happening. (DVOP)
>
> The NVTI course was absolutely the most meaningful, impressive, and enjoyable training I have ever received. (LVER)
>
> I feel, because I am a supervisor, that management and supervisory personnel should be encouraged to attend this meeting. It was most informative both from the fellowship of the trainees and the instruction given. (Employment Service Supervisor II)

Eligible for training at the NVETSI under the Committee bill are DVOPs, LVERs, SDVETs, ASDVETs, and "such other personnel involved in the provision of employment, job-raining, counseling, placement, or related services to veterans as the Secretary considers appropriate." Such other personnel could include state employment agency personnel—particularly local Job Service managers and supervisors, counselors, interviewers, and job development, employer relations, and placement personnel. In addition, the Committee believes that state employment agencies' district and state headquarters staff should be encouraged to attend—including those personnel responsible for directing, coordinating, or maintaining the intake, registration, placement, and counseling functions throughout the state employment system. Participation by state employment agency personnel seems generally desirable in light of their responsibility for providing services to veterans on a priority basis.

SPECIAL UNEMPLOYMENT STUDY

Section 9 of the Committee bill would amend Chapter 41 of title 38 to add a new section 2010B, entitled, "Special unemployment study" requiring the ASVET, through the Bureau of Labor Statistics to conduct, every 2 years, a study of unemployment among special disabled veterans (that is, those who either (1) have a service-connected disability rated at 30 percent or more, (2) have a service-connected disability rated at 10 or 20 percent and have been determined for purposes of the VA's program of vocational rehabilitation for service-connected disabled veterans to have a serious employment handicap, or (3) were discharged or released from active duty because of a service-connected disability) and veterans who served in the Vietnam Theater during the Vietnam conflict. The first study would be required to be completed by July 1, 1988.

The rates of joblessness among service-connected disabled veterans and those who served in the Vietnam Theater have been a continuing concern of the Committee and one that the Committee has made efforts to address through this and prior legislation developed to help meet the employment and job-training needs of veterans.

At the Committee's April 30 hearing, representatives of the Veterans of Foreign Wars and of the Vietnam Veterans of America urged that data be collected regarding the employment status of special-disabled and Vietnam Theater veterans. The Committee believes that information showing the degree of participation in the labor force, employment and unemployment rates, percentage of part-time and full-time employment, stability of employment, the types of work performed, and the salary and wages earned of these veterans could be important in assessing the effectiveness of veterans' employment programs.

SECRETARY OF LABOR'S COMMITTEE ON VETERANS' EMPLOYMENT

Section 10 of the Committee bill would add representatives of the Postmaster General and the Secretary of Education to the Secretary of Labor's Committee on Veterans' Employment (CVE).

The CVE, established under section 2010 of title 38, United States Code, meets quarterly. Its purpose is to bring to the attention of the Secretary problems and issues relating to veterans' employment. Under section 2010, the Committee is chaired by the Secretary of Labor and includes representatives of the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health and Human Services, the Director of the Office of Personnel Management, the Chairman of the Equal Employment Opportunity Commission, and the Administrator of the Small Business Administration.

The Postal Service—with 331,830 veterans in its work force—is the second largest employer of veterans in the United States. The Department of Education, through its Veterans' Education Outreach Program and its Offices of Postsecondary Education and Vocational and Adult Education, implements education policies and programs which can benefit veterans job readiness. Therefore, the Committee believes that having the Postmaster General and the Secretary of Education represented on the CVE could contribute to the Committee's effectiveness and success in advising the Secretary of Labor on veteran's employment issues.

VETERANS' JOB TRAINING ACT

Introduction

Section 11 of the Committee bill contains provisions which would authorize appropriations of $60 million for each of fiscal years 1988 and 1989 for the Veterans' Job Training Act (VJTA), extend the deadlines governing application and entry into a VJTA training program, and enhance the effectiveness of this job training program by providing for enhanced counseling services and making certain other changes.

Background

VJTA is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act of 1983, Public Law 98–77. Eligibility for an Emergency VJTA job-training program was originally provided to unemployed veterans who had served during the Korean conflict or Vietnam era and were unemployed for 15 out of the 20 weeks preceding their application and who either had more than 180 days active service or were discharged or released from service for a disability or are entitled to VA service-connected disability compensation.

Section 212 of the Veteran's Benefits Improvement Act of 1984, Public Law 98–543, extended by 5 months the original deadlines for application and for entry into training to February 28, 1985, and September 1, 1985, respectively. This Act also extended by 1 year, until the end of fiscal year 1987, the date by which the program's existing funds could be expended to assist veterans in gaining needed job training under VJTA. On September 30, 1985, with the enactment of section 4 of Public Law 99–108, the date by which a veteran could enter into training was again extended from September 1, 1985, to July 1, 1986.

On January 13, 1986, with the enactment of section 201 of the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Public Law 99–238, the Emergency VJTA was amended to extend further the deadlines regarding application and entry into a training program to July 2, 1987, and January 2, 1988, respectively; to authorize an fiscal year 1986 appropriation of $65 million; to delete "Emergency" from the title of the Act; to reduce, from 15-of-20 weeks to 10-of-15 weeks preceding his or her application, the period a veteran must be unemployed; and to require that contact be made with participating veterans on at least a monthly basis and that counseling services be made available to them and their employers.

On March 18, 1987, the Committee reported S. 477, the proposed "Homeless Veterans' Assistance Act of 1987" including in section 106 a provision to extend through FYs 1987 and 1988 the unused authorization of FY 1986 appropriation of $30 million, postpone by 6 months the deadlines for veterans to apply for and to enter into training, and delete for unemployed Korean-conflict and Vietnam-era veterans who are homeless the length-of-unemployment criterion for eligibility under this program.

The bill was passed by the Senate on March 31. The extensions of authorizations of appropriations and of the deadlines were passed by the Senate a second time, on April 9, 1987, in section 907 of H.R. 558, the proposed "Urgent Relief for the Homeless Act", and incorporated in section 901 of the conference report (H. Rept. No. 100-174) on H.R. 558. On June 27, the Senate and on June 30 the House agreed to the conference report, and on July 22 the measure was signed into law as Public Law 100-77.

In the Supplemental Appropriations Act, 1987 which was signed into law on July 11 as Public Law 100-71, Congress provided a $30 million appropriation for VJTA.

Committee bill

Extensions of authorization of appropriations and participation deadlines. VJTA has provided nearly 52,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families.

Among the measurable benefits accruing to veterans as a result of their participation in VJTA is increased earning power. A 1985 report, carried out by Centaur Associates, Inc., entitled *Final Report: Evaluation of the Emergency Veterans' Job Training Program,* found that veterans, while participating in VJTA, earn $50 more per week than veterans eligible for but who do not participate in the program and, in the year following training, about $2,200 more.

The Committee also notes that VJTA is highly popular among those employers who have provided job training programs to veterans under VJTA. In general, according to the *Centaur* report, the supervisors of participating veterans rank the job performance of these veterans from good to excellent and the employers express an interest in hiring other veterans through VJTA.

In order to provide for the continuation of this job training program, the Committee bill would authorize appropriations of $60 million for each of FYs 1988 and 1989 for VJTA. Funding at this level would enable approximately 40,000 additional veterans to participate in VJTA job training programs over the next 2 fiscal years. In addition, the deadlines by which eligible veterans must apply and enter into a job training program under VJTA would be extended from December 31, 1987, to June 30, 1989, and from June 30, 1988, to December 31, 1989, respectively.

Expansion of Eligibility. Under current law, VJTA eligibility is limited to unemployed veterans with service during the Korean conflict (June 27, 1950 through January 31, 1955) or Vietnam era (August 5, 1964, through May 7, 1975) who have been unemployed at least 10 of the 15 weeks preceding their application. Eligibility is further limited to those who either served on active duty for more than 180 days or were discharged or released for a service-connected disability or are entitled to VA service-connected disability compensation (or would be so entitled if not receiving retirement pay).

The Committee bill would eliminate the eligibility criteria requiring service during the Korean conflict or Vietnam era. This would open up eligibility to veterans of all periods of service, including most significantly from the standpoint of those who would be helped by the expansion, post-Vietnam-era veterans, who number 2,366,000 and veterans with service during the period between the Korean conflict and the Vietnam era, who number 2,996,000. Making post-Vietnam era veterans eligible for VJTA could be an especially valuable tool for helping their readjustment to civilian life, by providing them an opportunity to gain the skills and training needed to compete in the civilian labor force. There are over 18,000 recently separated veterans who are receiving unemployment compensation, and the Committee believes that VJTA should be available to assist them in finding suitable training and employment if they remain unemployed more than 10 weeks following their separation from active duty.

The Committee is also concerned by the disproportionately high number of dislocated workers who are veterans. According to the Bureau of Labor Statistics, while veterans make up approximately 13 percent of the civilian workforce, as a group they comprise an estimated 26 percent of the population of dislocated workers. In order to help address this serious problem, the Committee bill would eliminate the 10-out-15 week unemployment criterion for those veterans who have lost their jobs as a result of a plant closure or massive worker lay-offs and who have no realistic opportunity to return to employment in the same occupation in the geographical area in which the veteran had been employed.

Improved Counseling Services. The Committee is deeply concerned over the high rate of non-completion among veterans in VJTA job-training programs. According to the *Centaur* report, only 40 percent of the participating veterans complete their training. Although 25 percent of the non-completing veterans leave their training programs before their scheduled completion dates in order to accept other jobs—an outcome which the Committee views as positive—the remaining 75 percent of non-completers (45 percent of all participants) fail to complete their training as a result of involuntary terminations or health or other personal factors.

The VJTA program is directed toward assisting veterans who have been out of the economic mainstream for a substantial period. Since many of the veterans who enter into training may thus not possess the skills and experience needed to succeed in the workplace, the Committee has designed a number of VJTA and title 38 amendments to increase counseling services for trainees in order to help them resolve problems encountered in their training programs or that otherwise jeopardized their progress. Virtually all of the witnesses at the April 30 hearing agreed that expanded counseling services for veterans in training programs is essential to successful efforts to improve program performance.

The Committee bill thus includes a number of provisions to improve these counseling services. First, the existing requirements for the Secretary of Labor to provide for counseling and information services would be revised to make such services the joint responsibility of the Administrator and the Secretary, thus enlarging the VA's involvement and responsibility in this area. The Administrator would be responsible for providing information and counseling to trainees through the VA's programs of readjustment counseling, vocational rehabilitation counseling, and career development counseling.

Second, as part of the counseling program, each veteran (except as discussed below) would be assigned a case manager, who would be a DVOP. The case manager would be required to make face-to-face contact with the veteran within the first 60 days of training and some form of contact—the precise nature of which would be left to administrative discretion—on at least a monthly basis thereafter until the veteran's training is concluded. Approval of a training program would be conditioned on the employer's agreement to allow the participating veteran the opportunity to have the initial interview with the case-manager during normal work hours.

Under the Committee bill, the purposes of the case-manager services would be to avoid unnecessary terminations; to refer veteran's for appropriate counseling, if necessary; to facilitate the veterans' successful completion of the training program; and, in conjunction with follow-up contacts with the employer, to determine the veteran's progress of the veteran's participation and whether or not the veteran successfully completed the program.

When appropriate, the case manager would refer the veteran to additional counseling services, including those available through the VA's program of veterans' outreach services, the VA's Vet Center program of readjustment counseling for Vietnam-era veterans, the VA's program of rehabilitation counseling, the VA's program of career counseling, and the counseling services available through DVOPs and LVERs.

The Committee notes that, under new section 2004A(a)(3), performance standards for a DVOP would measure the extent to which the DVOP, in serving as a case-manager, facilitates the rates of veterans' successful completion of VJTA training programs. The Committee believes that the personal contact and professional accountability thus built into the case-manager approach, together with the inherent strengths of case management, should help avoid unnecessary termination of trainees and facilitate their successful completion of training programs.

In order to target resources most effectively, the Committee bill would provide that when the Secretary determines that an employer is already providing an appropriate and effective employer assistance program or where there is at least a 60-percent rate of completion among veterans, either cumulatively or during the previous program year, in an employer's VJTA job-training program, the case-manager requirement would not apply.

Third, in the case of a veteran who does not complete a VJTA training program, either on a voluntary or involuntary basis, the VA would be required to provide that veteran with vocational counseling before certifying the veteran's eligibility for participation in another VJTA training program. The Committee believes that such counseling would provide both the veteran and the VA with a clearer picture of the veteran's job-training needs, thereby helping to ensure a better, more appropriate match with any future training program.

Employer Accountability. The Committee believes that VJTA has generally been a successful partnership between employers and the federal government. At the same time, a continuing priority of the Committee is to improve program performance and cost-effectiveness. In this regard, the Committee notes with concern the finding of the *Centaur* report that approximately 25 percent of the veterans who drop out of VJTA training do so because they are unsatisfied with their training program. In an effort to provide for greater employer accountability in this area, the Committee bill includes a requirement that, in cases where the Secretary determines that the veterans' completion rate in an employer's training programs is disproportionately low the Administrator would disapprove the participation of any additional veterans in that employer's training programs. The employer would be afforded the opportunity for a hearing regarding the disapproval, which would take effect on the date that the employer is notified of it.

The disapproval would remain in effect until the Administrator determines that the employer has taken adequate steps to remedy the shortcomings in the programs. With action completed which would likely raise the rates of completion, the Administrator would revoke the disapproval. Except in certain cases noted below, the Administrator, in deciding whether the remedial actions are adequate, would be able to take into account the effect of a modified VJTA payment formula placing a premium on veterans' completing their programs. Under the modified formula, which the Committee bill makes applicable, at the Administrator's discretion, in the context of suspension of disapprovals, payments for the initial months of a training program could be reduced in order to provide for a lump-sum "bonus" upon completion of the training period. Under the discretionary formula, for programs of at least 4 months duration, the employer would receive for each of the first four months a payment equal to 30 percent of the veteran's starting wage; a payment equal to 50 percent of that amount for each month following that period, and, upon the successful completion of that program by the veteran, an amount equal to 20 percent of the first 4 months of the veteran's starting wage. In the case of a job training program of less than 4 months duration, the employer would receive a payment equal to 30 percent of the veteran's starting wage for each month prior to the last month of the training period, 50 percent of the amount of the veteran's starting wage for the last month of training, and, upon the veteran's successful completion of the training program, an amount equal to 20 percent of the veteran's wages during all but the final month.

This special reimbursement formula could be applied to the employer—if the Administrator determines it to be appropriate as a condition of reapproval—for such period of time as the Administrator determined was appropriate in the particular circumstances surrounding that employer's job-training programs. The Committee believes that the restructured formula would increase the financial incentive to the employer to ensure that its training programs are responsive to veterans' needs.

The formula could not be used in the case of an employer having a VJTA training program completion rate of at least 60-percent, either cumulatively or during the previous program year, or an appropriate and effective employee assistance program available to all of the employer's VJTA participants.

Data Collection. In order to provide for better assessments of VJTA activities and program performance, the Secretary would be required, on a not less than quarterly basis, to collect from the heads of State employment agencies and SDVETs data regarding the numbers of veterans who have received counseling services pursuant to the provisions of VJTA, who have been referred to employers participating in VJTA, and who are participating in VJTA training programs and who complete such programs, as well information relating to the reasons for veterans' non-completion.

Re-obligation of De-obligated VJTA Funds. The Committee bill would provide that, when VJTA funds which have been obligated in connection with a veteran's entry into a VJTA job-training program are de-obligated because the veteran leaves the training program before it is completed, the de-obligated funds would automatically become immediately available to the VA for re-obligation for payments under VJTA.

In accordance with its circular A-34, Instructions on Budget Execution (Revised, August 26, 1985), the Office of Management and Budget (OMB) requires the VA to request and receive an approved reapportionment each time the VA wants to re-obligate funds appropriated in a prior year which have been de-obligated. The reapportionment process can delay the re-use of such prior-year funds for other VJTA trainees by many weeks. Reapportionment is particularly a problem when all available funds from the current appropriation have been obligated and the VA is funding the program solely through de-obligated funds. This can result in long program lulls while the reapportionment request is processed by OMB. This occurred earlier this year when the program was closed to new entrants for 6 weeks—from February 20, 1987 through April 3, 1987—despite the existence of $4.6 million in otherwise available de-obligated prior-year funds for which OMB had not yet provided a reapportionment. Therefore, in the interest of program continuity, the Committee believes that any de-obligation funds should immediately be available for re-obligation without any further action by OMB.

The Committee has been advised by the VA that in May of 1987 OMB informed the VA that apportionments based upon anticipated levels of de-obligations would be approved. The Committee notes, however, that this administrative policy, while an improvement over the prior approach, could be reversed at any time; that, even if it is not, the process of estimating future de-obligations—like any other process relying on estimates—is imperfect; and that reliance on apportionments based on estimates cannot provide the same degree of assurance of maximum program continuity through the use of de-obligated funds as would automatic availability.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office (CBO), estimates that the costs resulting from the enactment of the Committee bill (as compared to costs under current law) during the first 5 years following enactment would be $73 million in budget authority and $54 million in outlays in Fiscal Year 1988; $73 million in budget authority and $73 million in outlays in Fiscal Year 1989; $14 million in budget authority and $33 million in outlays in Fiscal Year 1990; $14 million in budget authority and $14 million in outlays in Fiscal Year 1991; and $14 million in budget authority and $14 million in outlays in Fiscal Year 1992. The cost estimate provided by CBO, setting forth a detailed breakdown of the costs, follows:

CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, D.C. 20515

July 21, 1987

Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Congressional Budget Office has prepared the attached cost estimate for S. 999, the Veterans' Employment, Training and Counseling Amendments of 1987, as ordered reported by the Senate Committee on Veterans' Affairs, May 14, 1987.

Should you so desire, we would be pleased to provide further details on the attached cost estimate. The staff contact is Marianne Deignan (226-2820).

With best wishes,

Sincerely,

Edward M. Gramlich
Acting Director

cc: Honorable Frank H. Murkowski
Ranking Minority Member

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 21, 1987

1. BILL NUMBER: S. 999.

2. BILL TITLE:

   Veterans' Employment, Training, and Counseling Amendments of 1987.

3. BILL STATUS:

   As ordered reported by the Senate Committee on Veterans' Affairs, May 14, 1987.

4. BILL PURPOSE:

   To amend Title 38, United States Code, to improve veterans' employment, counseling, and job-training services and programs.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

(by fiscal year, in millions of dollars)

	1988	1989	1990	1991	1992
Function 700					
Veterans' Job Training					
Authorization Level	60	60	---	---	---
Outlays	41	60	19	0	0
Function 500					
Local Veterans' Employment Representatives					
Estimated Authorization Level	10	10	11	11	11
Outlays	10	10	11	11	11
National Veterans' Employment and Training Institute					
Estimated Authorization Level	3	3	3	3	3
Outlays	3	3	3	3	3

(continued.) (by fiscal year, in millions of dollars)

	1988	1989	1990	1991	1992
Study of Unemployment Among Disabled and Vietnam Era Veterans					
Estimated Authorization Level	*	0	*	0	*
Outlays	*	0	*	0	*
Subtotal Function 500					
Estimated Authorization Level	13	13	14	14	14
Outlays	13	13	14	14	14
TOTAL					
Estimated Authorization Level	73	73	14	14	14
Outlays	54	73	33	14	14

The costs of this bill would fall within budget functions 500 and 700.

Basis of Estimate

The bill would authorize appropriations for the Veterans' Job Training Act of $60 million for each of fiscal years 1988 and 1989. Outlays are estimated using historical spendout rates for the account.

The bill would eliminate the requirement that veterans training under the Veterans' Job Training Act must have served during the Korean or Vietnam era and would modify the unemployment requirements for veterans who are unemployed because of a job dislocation or a plant closing. The bill would extend the date for which a veteran must initially apply for training to June 30, 1989. In addition, an eligible veteran would have to begin training by December 31, 1989. None of these changes, by themselves, would effect estimated costs.

The bill would require that funding sufficient to hire approximately 260 additional local veterans' employment representatives (LVERs) be made available to the states. The estimated cost of increasing the number of LVERs is based on the average salary and overhead expenses of currently employed LVERs with allowances for inflationary increases.

S. 999 would authorize a National Veterans' Employment and Training Service Institute for the training of LVERs, disabled veterans' outreach specialists (DVOPS), state and assistant state directors of veterans' training programs, and other personnel involved in training and counseling veterans. The bill would also provide for the payment of travel expenses to and from the institute. The institute currently exists but it is not formally authorized and is funded out of residual funds from the appropriation for DVOPs. According to testimony by the Department of Labor (DOL), approximately $2 million would be spent on the institute in 1988. The estimate shown is slightly higher to allow for training the new LVERs and to allow for inflationary increases in the cost of travel and training.

The estimate for the Bureau of Labor Statistics (BLS) biennial study on unemployment among special disabled workers is based on information from the BLS on the cost of previous studies of unemployment of a select group.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENT:

CBO estimates that this bill would not affect the budgets of state and local governments. The additional LVERs would be hired by each state but the bill would authorize funding to reimburse the states.

7. ESTIMATE COMPARISON:

H.R. 1504, as ordered reported by the House Committee on Veterans' Affairs, June 10, 1987, would also extend the Veterans' Job Training Act.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: Marianne Deignan (226-2820).

10. ESTIMATE APPROVED BY:

for C. G. Nuckols
James L. Blum
Assistant Director
for Budget Analysis

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below:

A. *Estimates of the numbers of individuals and businesses who would be regulated, and a determination of the groups and classes of such individuals and businesses:* Except as noted below, the Committee bill—which essentially is designed to provide for more efficient and effective employment, training, and related services for veterans through revisions of federally-assisted state employment services and for improved counseling and related services under the Veterans Job Training Act (VJTA) (Public Law 98-77) and to expand VJTA eligibility—would not result in the significant regulation of any individual or businesses.

Employers participating in the VJTA (other than those which, as determined by the Secretary of Labor, have appropriate and effective employee assistance programs available to veterans participating in their VJTA program) would be required to make each veteran participating in their VJTA programs available during the normal workday for one personal interview with a case manager during the first 60 days of the veteran's training. In addition, the Committee bill would require the Administrator of Veterans' Affairs and the Secretary of Labor jointly to issue regulations under which the approval of veterans' participation in any employer's VJTA programs would be suspended if it is determined that the rates of veterans' successful completion of the employer's VJTA programs are disproportionately low.

Approximately 6,000 employers may participate in the VJTA program during each of the next 2 fiscal years. These provisions would affect an unknown fraction of that number.

B. *Determination of the economic impact of such regulations on individuals, consumers, and businesses affected:* Except for employers whose participation under VJTA is suspended, no significant economic impact is expected to result from regulations under the Committee bill.

The impact on a suspended employer would be the lost opportunity during the period of suspension (which would end when adequate remedial action is taken) to receive cash incentives for providing job training to eligible veterans. The incentive payments are equal to half the veteran's starting hourly wage rate times the number of hours worked during a training period of up to 9 months (up to 15 months for certain service-connected disabled veterans), but not to exceed a total of $10,000 for any one veteran.

C. *Determination of the impact on the personal privacy of the individuals affected:* There would be no significant impact on the personal privacy of individuals affected by the enactment of the Committee bill.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:* The Committee bill would not require the promulgation of any regulations that would result in significant additional paperwork.

SECTION-BY-SECTION ANALYSIS OF S. 999 AS REPORTED

Section 1

Subsection (a) of section 1 would provide that this Act may be cited as the "Veterans' Employment, Training, and Counseling Amendments of 1987".

Subsection (b) of section 1 would provide that, except as otherwise expressly provided, whenever in this Act an amendment or a repeal is expressed in terms of an amendment to or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code. This style will likewise be followed in this Analysis.

Section 2

Subsection (a) of section 2 would amend present section 2002A—relating to the establishment of the position of Assistant Secretary of Labor for Veterans' Employment (redesignated as Assistant Secretary of Labor for Veterans' Employment and Training by section 12(b) (discussed below) of the Committee bill) in the Department of Labor and to the functions of the Assistant Secretary—to redesignate the existing provisions as subsection (a) of section 2002A and to add new subsections (b), (c), and (d), derived generally from present section 2009, as follows:

New subsection (b) of section 2002A: Would prescribe in clauses (1) through (7) certain responsibilities of the Secretary of Labor, as follows:

Clause (1) of new subsection (b): Would require the Secretary to carry out through the Assistant Secretary of Labor for Veterans' Employment and Training (hereinafter referred to as the "ASVET") all the provisions of chapter 41 of title 38, relating to veterans' employment, job-training and related services, and administer through the ASVET all programs under the Secretary's jurisdiction for the provision of employment and training services that are designed to meet the needs of disabled veterans (generally defined in section 2001(3) of title 38 (by reference to section 2011(d)) as veterans having compensable service-connected disabilities and those who were discharged for a service-connected disability) and veterans of the Vietnam era and of all other eligible veterans and eligible persons (generally defined in section 2001(5) as the spouses of those who have died from a service-connected disability, who are rated permanently and totally disabled as a result of service-connected disability, who died while so rated, or who are missing in action or are prisoners of war). The provisions of this clause derive in part from present section 2009(a)(1), under which the Secretary is required to administer through the Assistant Secretary all national programs under the Secretary's jurisdiction for the provision of employment and training services designed to meet the needs of disabled veterans and Vietnam-era veterans. Thus, this clause would codify several separate requirements—in sections 2003A(a) and (b), 2006(a) and (b), and 2009(a)—for the Secretary to administer programs through the ASVET, as well as current practice under chapter 41, so as to include the carrying out of all of chapter 41 and to administer employment and training programs under the Secretary's jurisdiction, whether national in scope or not, and those designed to meet the needs of eligible veterans, whether or not disabled or Vietnam-era veterans, and of eligible persons.

Clause (2) of new subsection (b): Would require the Secretary, in order to make maximum use of available resources, to encourage all programs described in clause (1) (discussed above) of this new subsection and all grantees under each such program to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions.

This clause derives from present section 2009(a)(2) except that the reference in that provision to programs is redefined as in clause (1).

Clause (3) of new subsection (b): Would require the Secretary to ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all programs described in clause (1) by coordinating and consulting with the Administrator with respect to (A) programs conducted under other provision of title 38, with particular emphasis on coordination of such program with readjustment counseling activities carried out under section 612A, apprenticeship or other on-job training programs carried out under section 1787, and rehabilitation and training activities carried out under chapter 31, and (B) the Veterans' Job Training Act. This clause derives from present section 2009(a)(3) without modification except that the reference in that provision to program is redefined as in clause (1) and the reference to the Veterans' Job Training Act is added.

Clause (4) of new subsection (b): Would recodify the provisions of present section 2009(a)(4) requiring the Secretary to ensure that job placement activities are carried out in coordination and cooperation with appropriate state public employment service officials.

Clause (5) of new subsection (b): Would require the Secretary—subject to paragraph (2) of new subsection (c) (discussed below; as proposed to be added by this subsection of the Committee bill)—to make available for use in each state, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans' outreach program specialists (hereinafter referred to as "DVOPs") appointed under section 2003A(a)(1) (as proposed to be amended by subsection (b) (discussed below) of this section of the Committee bill), and (ii) local veterans' employment representatives (hereinafter referred to as "LVERs") assigned under subsection (b) of section 2004 (as proposed to be amended by section 3(a)(1) (discussed below) of the Committee bill), and (B) to support the reasonable expenses of DVOPs and LVERs for training, travel, supplies, and fringe benefits, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Service Institute established under section 2010A of title 38 (as proposed to be added by section 8 (discussed below) of the Committee bill). The new clause would recodify the exising provision (in present section 2003A(a) (1) and (3)) of title 38 requiring funds to be made available for the support of DVOPs and certain expenses of DVOPs—including a new specific reference to expenses for their attendance at the Institute—and make these same requirements applicable to the Secretary for the support of LVERs assigned under new subsection (b) of section 2004 (as proposed to be amended by section 3(a)(1) (discussed below) of the Committee bill) and certain of their expenses.

Clause (6) of new subsection (b): Would require the Secretary to monitor and supervise on a continuing basis the distribution and use of funds provided for use in states, for DVOP and LVER support, under clause (5) (discussed above) of this new subsection (b). This clause recodifies the requirement in present section 2003A(a)(5) for continuing supervision and monitoring with respect to the funds for DVOPs and adds the same requirements with respect to funds for LVERs.

Clause (7) of new subsection (b): Would require the Secretary to monitor the appointment of DVOPs and the assignment of LVERs in order to ensure compliance with the provisions of section 2003A(a)(1) (as proposed to be redesignated by subsection (b) (discussed below) of this section of the Committee bill) and subsection (a)(4) of section 2004 (as proposed to be amended by section 3(a)(1) (discussed below) of the Committee bill), respectively, relating to the qualifications of DVOPs and LVERs and the giving of preference to certain veterans. This clause recodifies the requirement in present section 2003A(d) for monitoring the appointment of DVOPs and adds the same monitoring requirement with respect to the assignment of LVERs.

Paragraph (1) of new subsection (c): Would provide that the distribution and use of funds under new subsection (b)(5) (discussed above) of section 2002A, requiring the Secretary to make funds available for the support of DVOPs and LVERs, be subject to the continuing supervision and monitoring of the Secretary of Labor and not be governed by the provisions of any other law, or any regulations thereunder, that are inconsistent with section 2002A (the section being amended by this subsection of the Committee bill), 2003A, relating to DVOPs, or 2004, relating to LVERs. This paragraph (1) would recodify the provision in paragraph (5) of present section 2003A(a) of title 38 for the distribution and use of funds for DVOPs' support to be subject to the ASVET's supervision and monitoring and to be not governed by laws or regulations that are inconsistent with section 2003A, and (2) would expand the provision to make it applicable to funds for LVERs' support and add the reference to section 2002A.

Paragraph (2) of new subsection (c): Would require the Secretary, in determining the terms and conditions of a grant or contract under which funds are made available in a state under new subsection (b)(5) (discussed above; as proposed to be added by this subsection of the Committee bill), to take into account (1) the evaluations of local employment offices in the state carried out by State Directors and Assistant State Directors for Veterans' Employment and Training pursuant to clause (13) (as proposed to be added by section 7(a)(5) (discussed below) of the Committee bill) of section 2003(c), and (2) the results of the supervision and monitoring, pursuant to paragraph (1) (discussed above) of this new subsection, of the distribution and use of the funds.

New subsection (d): Would require the Secretary to assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Director for Veterans' Employment and Training.

Paragraph (1) of subsection (b) of section 2 would amend present section 2003A(a) of title 38, relating to the appointment of and funding for DVOPs, to strike out paragraphs (1), (3), and (5), the provisions of which are incorporated in new subsections (b) (5) and (6) and (c)(1) (as proposed to be added by subsection (a) (discussed above) of this section of the Committee bill) of section 2002A and to redesignate paragraphs (2) and (4) as paragraphs (1) and (2), respectively.

Paragraph (2) of subsection (b) of section 2 would amend the first sentence of paragraph (1) (as proposed to be redesignated by paragraph (1) of this subsection of the Committee bill) of present section 2003A(a) relating to amounts of funds to be provided for use in a state for DVOPs, to make reference to the funding being made available under subsection (d)(5) (as proposed to be added by subsection (a) (discussed above) of this section of the Committee bill) of section 2002A rather than under section 2003A of title 38.

Clause (A) of paragraph (3) of subsection (b) of section 2 would amend subsection (a) of present section 2006, relating to budgeting for certain programs, to repeal the final sentence, which requires the Secretary to carry out that subsection through the Assistant Secretary to carry out that subsection through the Assistant Secretary of Labor for Veterans's Employment and is unnecessary in light of the requirement in clause (1) of new subsection (b) (as proposed to be added by subsection (a) (discussed above) of this section of the Committee bill) of section 2002A of title 38, requiring the Secretary of Labor to carry out all of chapter 41 of title 38, which includes section 2006, through the ASVET.

Clause (B) of paragraph (3) of subsection (b) of section 2 would amend subsection (d) of present section 2006, relating to the use of funds for the purposes of chapter 41, to delete a requirement for the Secretary of Labor to base certain action on the recommendation of the Assistant Secretary for Veterans' Employment and Training, which would be inconsistent with the requirement in clause (1) of new subsection (b) (as proposed to be added by subsection (a) (discussed above) of this section of the Committee bill) of section 2002A requiring the Secretary to carry out all of chapter 41 through the ASVET.

Paragraph (4) of subsection (b) of section 2 would repeal present section 2009 in light of (1) the incorporation in new subsection (b) (1), (2), (3), and (4) (as proposed to be added by subsection (a) (discussed above) of this section of the Committee bill) of section 2002A of the provisions of subsection (a) of present section 2009, relating to certain responsibilities of the Secretary with respect to employment and related programs for veterans, and (2) the incorporation in clause (4) of section 2007(c) (as proposed to be amended by section 3(c) (discussed below) of the Committee bill) of the provisions of subsection (b) of present section 2009, relating to an annual report on such programs.

Section 3

Paragraph (1) of subsection (a) of section 3 would revise present section 2004, relating to LVERs—including the heading, which would read "Local veterans' employment representatives"—as follows:

Paragraph (1) of subsection (a) of revised section 2004: Would require that the total of the amount of funds made available to the states under subsection (b)(5)(A)(ii) of section 2002A (as proposed to be amended by section 2(a) of the Committee bill) for the support of the assignment of LVERs be sufficient to support the assignment of 1,600 full-time LVERs, plus the funding necessary to support the states' administration of the LVER program, and be allocated to the several states so that (A) each state would receive funding sufficient to support the number of LVERs which were assigned in it on January 1, 1987 (1,379 LVERs according to the Department of Labor), plus one additional LVER; and (B) each state would receive funding to support a percentage of the difference between 1,432 LVERs (1,379 plus the 53 added to give one to each state (including the District of Columbia, Puerto Rico, and the Virgin Islands) and 1,600 LVERs, or 168 LVERs, computed as follows. Each state's percentage of that 168 LVERs would be equal to the average of (i) the percentage of all veterans residing in the United States who reside in the state, (ii) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in the state, and (iii) the percentage of all full-service local employment offices in the United States which are located in the state. In addition, each state would receive the funds for the administrative expenses relating to the number of LVERs for which it is receiving funds.

Subparagraph (A) of paragraph (2) of subsection (a) of revised section 2004: Would require that the LVERs allocated to a state pursuant to paragraph (1) (discussed above) of subsection (a) of revised section 2004 be assigned by the administrative head of the employment service in the state, with the concurrence of the state Director for Veterans' Employment and Training, so that as nearly as practical (i) one full-time LVER is assigned to each local employment office at which a total of at least 1,100 eligible veterans and eligible persons are registered for assistance, (ii) one additional full-time LVER is assigned to the local employment office for each 1,500 such individuals above 1,100 such individuals who are so registered at the office, and (iii) one half-time LVER is assigned to each local employment office at which at least 350 but less than 1,100 such individuals are so registered.

Subparagraph (B) of paragraph (2) of subsection (a) of revised section 2004: Would provide that, in the case of a local employment office at which less than 350 eligible veterans and eligible persons are registered for assistance, the head of the office (or the designee of the head of the office) would be responsible for ensuring compliance with the provisions of title 38 providing for priority services for veterans and priority referral of veterans to Federal contractors.

Paragraph (3) of subsection (a) of revised section 2004: Would provide that, for the purposes of subsection (a) of revised section 2004, an individual would be considered to be registered for assistance with a local employment office during a program year if the individual either registered, or renewed his or her registration, for assistance with the office during that program year or registered or renewed his or her registration with that office during a previous program year and, in accordance with regulations which the Secretary would be required to prescribe, is counted as still being registered for administrative purposes.

The Committee intends that such regulations provide generally for the counting of individuals as registered for general administrative purposes—not solely for the purposes of the assignment of LVERs under this subsection of revised section 2004.

Paragraph (4) of subsection (a) of revised section 2004: Would prescribe the qualifications for LVERs in terms similar to those applicable to DVOPs under paragraph (2) of present section 2003A(a) (proposed to be redesignated as paragraph (1) by section 3(b)(1) of the Committee bill)—namely, that each LVER be a veteran, that preference be given generally to qualified service-connected disabled veterans, and that, if the Secretary were to determine that such a disabled veteran were not available for an assignment, it could be given to a qualified veteran who is not disabled.

Subsection (b) of revised section 2004: Would provide that LVERs would be assigned, in accordance with revised section 2004, by the administrative head of the employment service in each state. This subsection recodifies the provision in present section 2004 for LVERs in each state to be assigned by the administrative head of the state's employment service.

Paragraph (1) of subsection (c) of revised section 2004: Would require that the services provided by LVERs be subject to the functional supervision specified in subclause (A) (as proposed to be added by section 7(a)(1)(A) (discussed below) of the Committee bill), that is, the functional supervision of the provision of services by State Directors and Assistant State Directors for Veterans' Employment and Training, as is currently required by 20 C.F.R. section 653.214.

Subparagraph (A) of paragraph (2) of subsection (c) of revised section 2004: Would require that—except as provided in subparagraph (B) of paragraph (2) (discussed below) of subsection (c) of revised section 2004, relating to certain services to be provided in connection with the Veterans' Job Training Act—the work of LVERs be fully devoted to discharging at the local level the duties and functions specified in subclause (B) (as proposed to be redesignated by section 7(a)(1)(A) (discussed below) of the Committee bill) of section 2003(c)(1) and clauses (2) through (12) of section 2003(c), relating to the duties and functions of State Directors and Assistant State Directors for Veterans' Employment and Training.

Subparagraph (B) of paragraph (2) of subsection (c) of revised section 2004: Would require that the duties of LVERs include the provision, or the facilitating of the provision, of counseling to veterans who are certified as eligible for participating in a program of job training under the Veterans' Job Training Act.

Paragraph (2) of subsection (a) of section 3 would amend the table of sections at the beginning of chapter 41 to reflect the amendment to the heading of section 2004 that would be made by paragraph (1) (discussed above) of subsection (a) of this section of the Committe bill.

Clause (1) of subsection (b) of section 3 would amend present section 2006(a)—relating to the requirements for the Secretary to estimate the funds necessary for administering chapter 41, 42, and 43 of title 38, and include the estimated amounts, including the amounts necessary for the support of DVOPs, in the Department of Labor's annual budget—to add a requirement for specifying in the Secretary's estimates the estimated funding needed for the support of LVERs.

Clause (2) of subsection (b) of section 3 would further amend present section 2006(a) so as to expand the existing requirement for a separate listing of the proposed number, by state, of DVOPs to include also (1) a separate listing, by state, of LVERs, and (2) information demonstrating the compliance of the budget submission with the requirement for the Secretary to approve the submission only if the proposed level of funding is in compliance with the requirements of paragraph (1) of section 2003A(a) (as proposed to be amended by section 2(b)(2) (discussed above) of the Committee bill) and subsection (a)(1) of section 2004 (as proposed to be revised by subsection (a)(1) of this section of the Committee bill), relating to the funding formulas for DVOPs and LVERs, respectively.

Subsection (c) of section 3 would amend subsection (c) of present section 2007, relating to an annual report to the Congress on the success of the Department of Labor and its affiliated State employment services in carrying out the provisions of chapter 41, so as to provide for the report to be submitted to the appropriate committees of the Congress, to specify that the report would be due on February 1 of each year, to expand the scope of the report, and to delete the reference to a determination under present section 2004 which, as proposed to be revised by subsection (a) (discussed above) of this section of the Committee bill, would be deleted from section 2004. Information proposed to be required in the report would relate to (1) the success achieved in carrying out programs for the provision of employment and training services to meet the needs of veterans, (2) activities carried out under section 2004 (as propose to be revised by subsection (a)(1) of this section of the Committee bill), relating to LVERs, in addition to the existing requirement for including information on activities under section 2003A, relating to DVOPs, (3) information (generally as currently specified in subsection (b) of section 2009, which, as noted above in the discussion of section 2(b)(4) of the Committee bill, would be repealed by that section) on the operation of programs of employment and training services for veterans, including an evaluation of the effectiveness of the programs in meeting requirements set forth in subsection (b) of section 2002A (as proposed to be revised by section 2(a) (discussed above) of the Committee bill), and (4) such recommendations as the Secretary considers necessary for legislative action—including the need for any changes in the funding formulas in paragraph (1) (as proposed to be redesignated and amended by section 2(b) (discussed above) of the Committee bill) of section 2003A(a) and subsection (a) of section 2004 (as proposed to be revised by subsection (a) of this section of the Committee bill), respectively, for the appointments of DVOPs and the assignments of LVERs and the allocation funds for DVOPs and LVERs support—relating to veterans' employment as the Secretary considers appropriate.

Section 4

Subsection (a) of section 4 would amend present chapter 41 of title 38, relating to veterans' employment, job-training, and related services, to add a new section 2004A, entitled "Performance of disabled veterans' outreach program specialists and local veterans' employment representatives", as follows:

Paragraph (1) of subsection (a) of new section 2004A: Would require the Secretary of Labor, after consultation with State employment agencies or their representatives, or both, to prescribe standards for the performance of DVOPs and LVERs, provide for the implementation and application of the standards, and monitor the activities of DVOPs and LVERs in terms of compliance with these standards.

Paragraph (2) of subsection (a) of new section 2009A: Would require that the standards be designed to provide, in the case of DVOPs, for the effective performance at the local level of the duties and functions of DVOPs specified in section 2003A (b) and (c) (as proposed to be amended by section 7(b) (discussed below) of the Committee bill), relating to such duties and functions; in the case of LVERs, for the effective implementation at the local level of the duties and functions specified in clause (1)(B) (as proposed to be redesignated by section 7(a)(1)(A) (discussed below) of the Committee bill) and clauses (2) through (12) of section 2003(c), relating to the duties and functions of State Directors and Assistant State Directors for Veterans' Employment and Training; and for the monitoring and rating activities prescribed by subsection (b) (discussed below) of new section 2004A.

Paragraph (3) of subsection (a) of new section 2004A: Would require that the standards include as one of the measures of a DVOPs performance the extent to which the DVOP, while serving in the capacity of a case manager under subsection (b)(1)(A) of section 14 of the Veterans' Job Training Act (as proposed to be amended by section 11(b)(1) (discussed below) of the Committee bill), facilitates successful completion rates of veterans participating in job-training programs under the Act.

Paragraph (4) of subsection (a) of new section 2004A: Would authorize the ASVET personally to make exceptions to the standards in order to take into account local conditions and circumstances, such as the employment, counseling, and training needs of the veterans and eligible persons served by the office or offices to which the exception would apply.

Paragraph (1) of subsection (b) of new section 2004A: Would require State Directors and Assistant State Directors for Veterans' Employment and Training regularly to monitor the performance of DVOPs and LVERs through the application of the standards.

Paragraph (2) of subsection (b) of new section 2004A: Would require State Directors for Veterans' Employment and Training, personally or through the Director's designee, to submit to the head of the employment service in the state recommendations and comments in connection with each annual performance rating of a DVOP or LVER in the State.

Subsection (b) of section 4 would amend the table of sections at the beginning of chapter 41 of title 38 to reflect the addition of new section 2004A proposed by subsection (a) of this section of the Committee bill.

Section 5

Would amend paragraph (1) of present section 2003(b) of title 38, relating to the qualifications for State Directors and Assistant State Directors for Veterans' Employment and Training, to redesignate the text of the paragraph as subparagraph (A); to redesignate clauses (A) and (B) as clauses (i) and (ii); to amend clause (i) (as so redesignated), requiring that a State Director be an eligible veteran with 2 or more years residence in the state, to add a cross-reference to the waiver authority proposed to be provided by this section; and to add a new subparagraph (B), as follows:

New subparagraph (B): Would authorize the Secretary of Labor, where necessary to consider for appointment as a State Director an Assistant State Director who has served in that capacity for at least 2 years, to waive the 2-year residency requirement. In the event of such a waiver, preference would be required to be given to a veteran who meets the residency requirement and is equally as qualified for the State Director's position as the Assistant State Director.

Section 6

Subsection (a) of section 6 would amend present section 2005 of title 38, relating to Federal agencies' cooperation with the Secretary of Labor in administering chapter 41 of title 38 and providing employment and training opportunities to veterans, to redesignate the existing provision as subsection (a) and to add a new subsection (b), as follows:

New Subsection (b): Would require the Secretary of Defense—for the purpose of assisting the Secretary of Labor and the Administrator of Veterans' Affairs in identifying employers with potential job training opportunities under the Veterans' Job Training Act and otherwise in order to carry out chapter 41—to provide to the Secretary and the Administrator not more than 30 days after the enactment date, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, established by Department of Defense Directive 1250.1, dated September 14, 1977. After providing the list, the Secretary of Defense would be required to provide on the 15th of each month updated information regarding it.

Paragraph (1) of subsection (b) of section 6 would amend present section 2008, relating to the Secretary of Labor's consulting with the Administrator of Veterans' Affairs and advising the Administrator of activities under chapter 41, to redesignate the existing provision as subsection (a) and to add a new subsection (b), as follows:

New subsection (b): Would require the Administrator to require each VA regional office to provide monthly or more frequently to appropriate employment service offices and Department of Labor offices, as designated by the Secretary of Labor, the names and addresses of employers in the area served by the regional office which offer approved programs of jobs training under the Veterans' Job Training Act.

Paragraph (2) of subsection (a) of section 6 would amend the heading of present section 2008, currently "Cooperation and coordination with the Veterans' Administration", to delete all that follows "coordination" and would amend the table of sections at the beginning of chapter 41 to reflect that amendment to the heading of section 2008.

Section 7

Subsection (a) of section 7 would make a series of amendments to present section 2003(c), relating to the functions of State Directors and Assistant State Directors for Veterans' Employment and Training, to make a series of amendments regarding those functions. Thus, Directors and Assistant Directors would be required functionally to supervise the provision of services to eligible veterans and eligible persons by their States' public employment service systems and by other employment or training programs administered by the Secretary of Labor, by grantees of Federal or federally-funded employment or training programs, or by the State; Directors' and Assistant Directors' functional responsibility for counseling and placement of eligible veterans and eligible persons in job training programs would be made expressly applicable to the Veterans' Job Training Act program; their duty to engage in certain job development and job advancement activities would be clarified to include the general responsibility "otherwise to promote the employment of eligible veterans and eligible persons"; and they would be required to conduct annual or more frequent evaluations at each local employment office in their State of the services provided to eligible veterans and eligible persons and make recommendations for corrective action as appropriate.

Subsection (b) of section 7 would amend present section 2003A(c), relating to the functions of DVOPs, to make a series of amendments regarding those functions. Thus, DVOPs' responsibilities to provide appropriate assistance to community-based organizations and grantees under Federal and federally-funded employment and training programs in serving eligible veterans would be clarified to include expressly the responsibility to provide such assistance to such organizations and grantees receiving funding under part C of title IV of the Job Training Partnership Act, relating to certain employment programs for service-connected disabled veterans, Vietnam-era veterans, and recently separated veterans; DVOPs' responsibilities to consult and coordinate with representatives of Federal, state, and local programs in order to develop linkages to promote employment opportunities for and provide employment assistance to eligible veterans would be clarified to include expressly consultation and coordination with representatives of the Veterans' Job Training Act program; and DVOPs' responsibilities would also include (1) the provision of counseling services to veterans with respect to their selection of vocations and their consideration of changes in their vocations and with respect to their vocational adjustment, and (2) the provision of services as case managers under clause (A) of section 14(b)(1) of the Veterans' Job Training Act (as proposed to be amended by section 11(b)(1) (discussed below) of the Committee bill).

Section 8

Subsection (a) of section 8 would amend present chapter 41 of title 38, relating to veterans' employment, job-training, and related services, to add a new section 2010A, entitled "National Veterans' Employment and Training Service Institute", as follows:

New section 2010A.—Would require the Secretary of Labor (by virtue of new subsection (b)(1) (as proposed to be added by section 2(a) (discussed above) of the Committee bill, the ASVET), in order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, placement, and related services to veterans to establish, and make available such funds as may be necessary to operate, a National Veterans' Employment and Training Service Institute for the training of DVOPs, LVERs, State Directors and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, counseling, placement, or related services to veterans as the Secretary considers appropriate.

Subsection (b) of section 8 would amend the table of sections at the beginning of chaper 41 to reflect the addition of new section 2010A proposed by subsection (a) of this section of the Committee bill.

Section 9

Subsection (a) of section 9 would further amend present chapter 41 to add a new section 2010B, entitled "Special unemployment study", as follows:

New section 2010B.—Would require the Secretary of Labor to conduct every 2 years through the Bureau of Labor Statistics—and promptly report to the Congress on the results of—a study of unemployment among special disabled veterans (certain service-connected disabled veterans as defined in section 2011(A)) and veterans who served in the Vietnam Theater of Operations during the Vietnam era. The Committee notes its intent that this reference to service in the Vietnam Theater of Operations be considered to refer to service for which the Vietnam Service Medal was awarded under Department of Defense Instruction 1348.15.

Subsection (b) of section 9 would amend the table of sections at the beginning of chapter 41 of title 38 to reflect the addition of new section 2010B proposed by subsection (a) of this section of the Committee bill.

Section 10

Would amend present section 2010(b)(1), relating to the membership of the Secretary of Labor's Committee on Veterans' Employment, to add to the membership representatives of the Secretary of Education and the Postmaster General.

Section 11

Subsection (a) of section 11 would amend paragraph (1) of present section 5(a) of the Veterans' Job Training Act (hereinafter referred to as the "VJTA"), relating to the eligibility criteria for a veteran to participate in a program of job training under the VJTA, to expand those criteria. Under current law, eligibility is limited to unemployed veterans with service during the Korean conflict (June 27, 1950 through January 31, 1955) or Vietnam era (August 5, 1964, through May 7, 1975) who have been unemployed at least 10 of the 15 weeks preceding their application and who either served on active duty for more than 180 days or were discharged or released for a service-connected disability or are entitled to VA service-connected disability compensation (or would be so entitled if not receiving retirement pay). The Committee bill would expand eligibility by (1) eliminating the requirement for service during the Korean conflict or Vietnam era, and (2) eliminating the 10-of-15 weeks unemployment criterion for a veteran who is unemployed as the result of a plant closing or major reduction in employment by the veteran's previous employer and has no realistic opportunity for employment in the same or similar occupation in the geographic area where the veteran had been employed.

Paragraph (1) of subsection (b) of section 11 would amend present section 14 of the VJTA, relating to certain counseling and information services for veterans participating in job-training programs under the VJTA, so as to revise subsection (b) and to add a new subsection (c), as follows:

Paragraph (1) of revised subsection (b).—Would, first, require the Administrator and the Secretary jointly to provide for a program under which, except as provided in paragraph (2) (discussed below) of revised this subsection, a DVOP is assigned as a case manager for each veteran participating in a VJTA job-training program, the veteran has an in-person interview with the case manager not later than 60 days after entering into such a program, and not less frequent than monthly contact is maintained with the veteran for the purposes of (1) avoiding unnecessary termination of employment, (2) referring the veteran to appropriate counseling, if necessary, (3) facilitating the veteran's successful completion of such program, and (4) following up with the employer and the veteran in order to determine the veteran's progress in the program and the outcome regarding the veteran's participation in and successful completion of the program. Under current law, the Secretary alone is required to provide for only a program of periodic contact for only the first three purposes. Thus, the requirements for the Administrator's joint involvement, the use of a case manager, and the personal interview and the specification of the purposes of the follow-up are new.

Second, the existing requirement for the Secretary, after consultation with the Administrator, to provide for a program of counseling services designed to resolve difficulties which veterans may encounter during training under VJTA would be modified so as to require that this program be a joint undertaking of the Secretary and the Administrator and to specify that the services be provided pursuant to subchapter IV of chapter 3 of title 38, relating to the VA's program of veterans outreach services, and three other title 38 provisions—section 612A, relating to readjustment counseling for Vietnam-era veterans, section 2003A, relating to DVOPs, and section 2004, relating to LVERs.

Third, the existing requirements for the Secretary, after consultation with the Administrator, to advise all veterans and employers participating under the VJTA of the availability of the counseling services required to be provided by existing subsection (b) and of other related counseling services and assistance and to encourage them to request services and assistance whenever appropriate would be revised. Thus, the Secretary and Administrator would be required jointly to provide for a program of information services under which (1) each veteran who enters into a VJTA program of job training and each VJTA employer is informed of the supportive services and resources available to the veteran under this paragraph of VJTA through VA counseling and career-development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of title 38), under part C of title IV of the Job Training Partnership Act, and through other appropriate agencies in the community, and (2) veterans and employers are encouraged to request such services whenever appropriate. Thus, the requirement for the Administrator's joint involvement and the greater specificity regarding the types of services and other assistance as to which information would be required to be provided are new.

Paragraph (2) of revised subsection (b).—Would provide that no case manager shall be assigned pursuant to paragraph (1) (discussed above) of this revised subsection where the Secretary determines that either (A) the employer has an appropriate and effective employee assistance program which is available to all veterans participating in the employer's VJTA job training programs, or (B) the rate of veterans' successful completion of the employer's VJTA job training programs, either cumulatively or during the previous program year, is 60 percent or higher.

New subsection (c).—Would require that, before a veteran who has voluntarily terminated, or was involuntarily terminated by his or her employer, from a VJTA job training program may be eligible for a new or renewed certificate of VJTA eligibility, the veteran must be provided by the Administrator with appropriate vocational counseling in light of the termination.

Paragraph (2) of subsection (b) of section 11 would amend subsection (d) of present section 7 of the VJTA, relating to the certification which an employer must submit to the VA with the employer's application for approval of a program of job training for VJTA purposes, to redesignate existing clause (12) as clause (13) and to add a new clause (12) requiring that the employer certify that, as applicable—that is, in a case in which a case manager is required to be appointed under subsection (b) (as proposed to be revised by paragraph (1) of subsection (b) (discussed above) of this section of the Committee bill) of VJTA section 14—the employer will provide to each veteran participating in a VJTA job training program of the employer the full opportunity to participate during the veteran/employee's normal workday in the personal interview with a case manager required by paragraph (1)(A) of subsection (b) (as so proposed to be revised) of VJTA section 10.

Subsection (c) of section 11 would amend present section 11 of VJTA, relating to the discontinuance of approval of veterans' participation in an employer's program of job training under VJTA, to redesignate the existing provision as subsection (a) and to add a new subsection (b), as follows:

New subsection (b).—Would provide that, if the Secretary determines, after consultation with the Administrator and in accordance with regulations which the Administrator and Secretary would be required jointly to prescribe, that the rates of veterans' successful completion of an employer's VJTA Program is disproportionately low, the Administrator must disapprove participation in the employer's job-training programs on the part of veterans who have not begun participation on the date that the employer is notified of the disapproval. The employer would be required to be given notice—by certified or registered letter, with a return receipt requested—of the disapproval, the reasons for it, and the opportunity for a hearing.

Subparagraph (A) of paragraph (2) of new subsection (b).—Would require that a disapproval under paragraph (1) of this new subsection remain in effect until such time as the Administrator determines that adequate remedial action has been taken. In determining whether remedial actions taken by the employer are adequate to ensure future avoidance of a disproportinately low rate of successful completion, the Administrator could—except in the case of an employer which the Secretary determines meets the criteria specified in clauses (A) and (B) of paragraph (2) of subsection (b) (as proposed to be revised by subsection (b) (discussed above) of this section of the Committee bill) of VJTA section 14, namely those with certain employee assistance programs or VJTA completion rates of 60 percent or higher—consider the likely effects of such actions in combination with the likely effects of using the payment formula described in subparagraph (B) (discussed below) of this paragraph of new subsection (b). If the Administrator were to find that the combined effects of such actions and the use of that payment formula are adequate to ensure future avoidance of such a rate, the Administrator would be authorized to revoke the disapproval with the revocation conditioned upon such use of the payment formula for a period of time that the Administrator considers appropriate under the circumstances.

Subparagraph (B) of paragraph (2) of new subsection (b).—Would provide for a payment formula—for the payment of employers as provided for in subparagraph (A) of this paragraph of new subsection (b)—whereby the amount paid to the employer on behalf of veteran would be as follows:

In the case of a program of job training of 4 or more months duration, the employer would be paid, for the first 4 months, 30 percent of the veteran's starting hourly wage rate times the number of hours worked by the veteran during those months; for any period after the first 4 months, 50 percent of an amount equal to the veteran's starting hourly wage rate times the number of hours worked by the veteran during that period; and, upon the veteran's successful completion of the program, the difference between the 30-percent and 50-percent levels for the first 4 months.

In the case of a program of job training of less than 4 months duration, the employer would be paid, for the months prior to the final scheduled month of the program, 30 percent of an amount equal to the veteran's starting hourly wage rate times the number of hours worked by the veteran during the months prior to the final scheduled month; for the final scheduled month of the program, 50 percent of an amount equal to the veteran's starting hourly wage rate times the number of hours worked by the veteran during that month; and, upon the veteran's successful completion of the program, the amount of the difference between the 30-percent and 50-percent levels for the months prior to the final scheduled month of the program.

In all cases the starting wage rate would not take into account overtime or premium pay.

Clause (1) of subsection (d) of section 11 would amend present section 16 of the VJTA, relating to the authorization of VJTA appropriations, to designate the existing provisions as subsection (a) of section 16.

Subclause (A) of clause (2) of subsection (d) of section 11 would further amend section 16 of the VJTA to insert in subsection (a) (as proposed to be designated by clause (1) (discussed above) of this subsection) a new sentence to authorize the appropriation, in addition to VJTA appropriations otherwise authorized, of $60 million for each of fiscal years 1988 and 1989. On March 31, 1987, and again on April 9, 1987, the Senate passed in section 106(c)(1) of S. 477, the proposed "Homeless Veterans' Assistance Act of 1987", and in section 907(c)(1) of H.R. 558, the proposed "Urgent Relief for the Homeless Act", respectively, legislation authorizing the appropriation of a total of $30 million for fiscal years 1987, 1988, and 1989. On July 22, H.R. 558 was signed into law as Public Law 100–77. As indicated above, the appropriations that would be authorized by the Committee bill would be in addition to the appropriations proposed to be authorized by that new law.

Subclause (B) of clause (2) of subsection (d) of section 11 would further amend present section 16 of the VJTA so as to revise the final sentence in subsection (a) (as proposed to be designated by clause (1) (discussed above) of this subsection), relating to the date until which VJTA appropriations remain available, to extend that date from September 30, 1988, to September 30, 1991.

Clause (3) of subsection (d) of section 11 would further amend present section 16 of the VJTA to add new subsection (b) as follows:

New subsection (b): Would provide that, notwithstanding any other provision of law, any refunds appropriated for the VJTA for any fiscal year which are obligated for the purpose of making payments to an employer on behalf of a veteran participating in a VJTA job-training program (including funds so obligated which previously had been obligated for that purpose on behalf of another veteran and were thereafter de-obligated) and are later de-obligated would immediately upon de-obligation become available to the Administrator for re-obligation for VJTA payments. No officer or employee in the executive branch would be permitted to delay in any manner, directly or indirectly, the re-obligation of the funds.

Subsection (e) of section 11 would amend present section 17 of the VJTA, relating to the deadlines by which eligible veterans must apply for participation in the program and enter into training under the program, to postpone by almost 2 years, from July 2, 1987, to June 30, 1989, the deadline for applications and by almost 2 years, from January 2, 1988, to December 31, 1989, the deadline for entering training. Current law, subsection (a) of VJTA section 17 provides that, subject to subsection (b) of section 17, the deadlines for application and entry into training are January 31, 1987, and July 31, 1987, respectively, and subsection (b) provides that, if FY 1986 funds were appropriated but the appropriation was not enacted and made available for VJTA expenditures on or before February 1, 1986, those deadlines would be postponed until 1 year and 18 months, respectively, after the date that the funds were made available. The measure appropriating the funds in question, Public Law 99-349, was enacted on July 2, 1986, and the funds were made available to the VA on the following day. Thus, under current law, the deadlines are as noted above, July 2, 1987, and January 2, 1988.

This subsection of the Committee bill would also repeal subsection (b) of section 17 of VJTA, which, upon the enactment of the new deadlines, would no longer serve any purpose.

Subsection (f) of section 11 would amend present section 5(b)(3)(A) of VJTA, relating to the certificates of veterans' VJTA eligibility, to make a conforming amendment adding a cross-reference.

Subsection (g) of section 11 would amend present section 15 of the VJTA, relating to information and outreach services, to add a new subsection (f), as follows:

New subsection (f).—Would require the Secretary of Labor, on a not less frequent than quarterly basis, to collect from the heads of state employment agencies and State Directors for Veterans' Employment and Training information available to them, and derived from programs carried out in their respective states, with respect to the numbers of veterans who receive counseling services pursuant to section 14 of VJTA, are referred to employers participating under VJTA, participate in VJTA programs of job training, and complete such programs, and the reasons for veterans' non-completion.

Section 12

Paragraphs (1) and (2) of subsection (a) of section 12 would amend present section 2001, relating to definitions, to add a new paragraph (7) providing that the term "Secretary" means the "Secretary of Labor" and would make a series of conforming amendments to sections 2002A, 2003 (a) and (b)(2), 2005(a) (as proposed to be redesignated by the amendment made by section 6(a)(1) (as discussed above) of the Committee bill), 2007, 2008(a) (as proposed to be redesignated by the amendment made by section 6(b)(1) (discussed above) of the Committee bill), and 2010(b).

Paragraph (3) of subsection (a) of section 12 would further amend present section 2010(b), relating to the membership of the Secretary of Labor's Committee on Veterans' Employment, so as to provide that, in light of new subsection (b)(1) of section 2002A (as proposed to be added by section 2(a)(2) (discussed above) of the Committee bill), requiring the Secretary to carry out chapter 41 through the ASVET the Secretary would continue to chair the Committee notwithstanding the new subsection (b)(1) of section 2002A.

Subsection (b) of section 12 would make a series of amendments to provisions of present chapter 41—sections 2000, 2002, 2002A(a) (as proposed to be redesignated by section 2(a)(1) (discussed above) of the Committee bill), 2003A(d) and 2010(b) and the heading of section 2002A—to add "and Training" to the title of the position of

Assistant Secretary of Labor for Veterans' Employment, and to amend the table of sections at the beginning of chapter 41 to reflect the amendment to the heading of section 2002A.

Subsection (c) of section 12 would amend present sections 2003 and 2003A(b) and the heading of section 2003 to add "and Training" to the titles of the positions of State Director for Veterans' Employment and Assistant State Director for Veterans' Employment, and to amend the table of sections at the beginning of chapter 41 to reflect the amendment to the heading of section 2003.

Section 13

Would provide that the provisions of and amendments made by the Committee bill would take effect on October 1, 1987.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of Rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by members of the Committee on Veterans' Affairs at a May 14, 1987 meeting to consider S. 999.

The Committee unanimously agreed to report S. 999, with an amendment in the nature of a substitute including provisions derived from S. 999 as introduced and Amendment No. 160 and amendments offered by Committee members, favorably to the Senate by a vote of 11-0, as follows:

YEAS—11	NAYS—0
Alan Cranston	
Spark M. Matsunaga	
Dennis DeConcini	
George J. Mitchell	
John D. Rockefeller IV	
Bob Graham	
Frank M. Murkowski	
Alan K. Simpson	
Strom Thurmond	
Robert T. Stafford	
Arlen Specter	

AGENCY REPORTS

In lieu of reports setting forth agencies' views, the full statements submitted by the VA's Chief Benefits Director and by the Assistant Secretary of Labor for Veterans' Employment and Training for the Committee's April 30, 1987, hearing setting forth agency views on the legislation are included. The statements follow:

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
UNITED STATES SENATE
COMMITTEE ON VETERANS' AFFAIRS

April 30, 1987

Mr. Chairman and Members of this Subcommittee:

Thank you for this opportunity to appear today to discuss legislation to amend Chapter 41, Title 38 United States Code, S. 999, the Veterans' Employment, Training and Counseling Amendments of 1987.

Mr. Chairman, we believe that the increased costs and reporting burdens of several of the provisions of S. 999 outweigh any benefits that would be gained. There are, however, measures which we support and believe are beneficial to veterans seeking jobs or training and which will not significantly increase our cost or require legislation.

We oppose section 3 of the bill which would significantly increase the number of Local Veterans' Employment Representatives (LVERs) and the budget required to support them. This section would result in distributing positions based on resident population rather than workload. Also, it appears that these amendments would result in the Federal government directly intervening into state personnel performance reviews and administrative management activities of State operations.

The formula proposed would require one LVER for each local employment service office at which 1,000 veterans were registered during the 12 month period ending on this most recent June 30, or which has a service area in which 5,000 veterans reside. One additional LVER would be required for each additional 1500 veterans registered or 5,000 veterans residing in the service area, whichever results in the assignment in the greater number of LVERs. For every local office that has less than 1,000 veterans registered or fewer than 5,000 veterans residing in the service area, part-time LVER would be assigned in proportion to the full-time LVERs formula.

There are over 2,000 Job Service Offices located throughout the United States; many particularly in metropolitan areas, do not have well defined service area boundaries. Applicants frequently visit a local office based upon the quality of service and types of jobs available at that office rather than their residential proximity to a local office.

Therefore, it would be difficult, if not impossible, to accurately count the number of veterans residing in a local office service area since these areas do not conform to census boundaries. Reliable population estimates do not exist now, would be costly to produce, and would require many months to develop.

Another problem in using veterans population as a factor in the LVER formula is that population is not a good micro-measure of the demand for employment services or individuals' attachment to the labor market. That is, whereas one may assume with a high degree of certainty that where hundreds of thousands of veterans reside there is a general need for services, there is no data that strongly supports the supposition that where there are a few thousand residents there is need for the specific services of an LVER. Indeed, using the number of veterans residing in a service area can disproportionately inflate the number of LVERs in favor of states with large populations of retired veterans.

For these reasons, I believe the formula must be based on workload and not populations. Furthermore, I believe that the current and projected assignments of LVERs is adequate to meet the mandates of Title 38. Our local office evaluations suggest to us that the support of the concept of priority for veterans by State agency management is a more significant contributor to the employment of veterans than is the number of LVERs assigned.

Mr. Chairman, Section 4 of the proposed amendments requires that an Assistant State Director Veterans' Employment and Training Service (ASDVETS) formally participate in the LVER performance appraisal process. We believe that such involvement in State agency merit system practices is impractical and would not result in improved services to veterans. SDVETS and ASDVETS currently monitor local office activities and review LVERs performance. Their evaluation reports contain good indications of whether or not LVERs are performing satisfactorily, and may be used by an LVERs supervisor in the rating process. We believe that the annual performance rating is a State agency management function, should not be the responsibility of the federal government, and joint responsibility is unworkable.

The provisions of section 4 which would require the development and implementation of specific standards of performance for DVOP and LVER staff, however, are positive in intent and could be carried out successfully. Without introducing direct Federal involvement in the evaluation process of individuals, we propose to develop prototype standards and tailor them to meet each State's merit system requirements through negotiation with our State Directors Veterans' Employment and Training Service. This goes one step beyond our current grantor-grantee relationships, and is a feasible approach to ensuring program quality through individual DVOP and LVER performance.

Section 5 requires the Secretary of Defense to provide to the Secretary of Labor a current list of the employers participating in the National Committee for Employer Support of the Guard and Reserve and thereafter monthly updates. To be useful this information would need to be broken down to state and substate areas. Generally, this information is available to the Veterans' Employment and Training Service staff at the local level, and therefore we do not see the need for this provision. I am sure the Department of Defense would cooperate in providing such lists if requested by the Secretary.

Section 7 of the amendments requires the establishment and operation of a national training institute to train DVOP, LVER, and State and Assistant State Directors for VETS staff in the provision of employment, job training, placement, counseling, or related services to veterans. This provision is unnecessary.

As you know, the VETS operates, through a grant to the State of Colorado, the National Veterans Training Institute (NVTI), which trains DVOPs, LVER and other State agency staff to provide such services, following the "whole person" concept. One of our objectives in FY 1987 is to explore additional funding sources including other agencies and veterans programs. The states voluntarily send their staff to this training which helps to ensure high quality and uniformity in the delivery of national veterans employment programs by the 52 state entities.

Mr. Chairman, section 9 concerns itself with the Veterans Job Training Act (VJTA). I understand what the committee is endeavoring to accomplish. However, as I indicated in testimony before the House of Representatives Committee on Veterans Affairs on March 18, I believe that this program which was to address the extraordinary levels of severe and continuing unemployment among Korean and Vietnam veterans has accomplished the purpose for which the legislation was enacted. The month prior to the enactment of EVJTA, the unemployment rate (not seasonally adjusted) for all Vietnam veterans was 9.1% while that for non-veteran adults in the same age span was 8.4%. Today the picture has improved considerably. The most recent data (March, 1987) shows that while the Vietnam veteran unemployment rate was 5.5% the unemployment rate for non-veterans in the same age group was 5.6%. We therefore feel that this program is no longer necessary to address the level of unemployment among veterans. In addition, the added reporting burden on the States required by this section would be expensive and difficult to implement within the required time frames. For these reasons, and because of the recent legislation proposed by the Administration that will serve unemployed veterans as well as other dislocated workers, the Administration is not requesting or recommending that the VJTA program be extended.

Mr. Chairman, as I stated earlier in my testimony, I believe there are some actions that we can take that are consistent with this proposal which would strengthen implementation of Title 38, such as the addition of counseling to the service provided by LVERs and DVOPs. I believe we have to ensure counseling is available at the local office. I believe that properly trained DVOP and LVERs can provide this service. For this reason I have directed the development of a counseling module at the National Veterans Training Institute. We can do this within current law and budget and this will provide the improved service to veterans that these amendments are seeking.

Once again, thank you Mr. Chairman for allowing me to express my views regarding the proposed Veterans' Employment and Training Amendments of 1987.

STATEMENT OF R. J. VOGEL
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
April 30, 1987

Mr. Chairman and members of the Committee:

I appreciate the opportunity to be here today to provide you with our views on recently introduced legislation, S. 918 and S. 999.

Mr. Chairman, I would first like to provide you with our comments on S. 999, which is a bill to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans' employment and counseling, as well as job training services and programs.

Mr. Chairman, at the outset, we would stress that the Administration opposes extension of the Veterans' Job Training Act (VJTA).

The findings of the congressionally-mandated study of the VJTA, conducted by Centaur Associates, Inc., show that the program has had mixed results. While there appears to be a short-term effect on earnings and employment for those who complete training, the dropout rate remains very high. Only 40 percent actually completed training. Programs administered by the Department of Labor under the Job Training Partnership Act (Titles IIA and III) have completion rates of approximately 70 percent. A GAO survey showed that the Title III program for dislocated workers results in new employment for 69 percent of the participants, with an average starting wage of $6.93 per hour for veterans served.

Labor Department statistics indicate that the unemployment rates of Korean and Vietnam era veterans whom the VJTA was designed to help have fallen and stayed below the unemployment rates of nonveterans.

Please note that the figures that follow are "not seasonally adjusted" figures. In March of 1987, the umemployment rate for all veterans stood at 5.9 percent and 6.6 percent for non-veterans. Looking more specifically at age categories, we find that for Vietnam era veterans in the age category 35 to

39, the unemployment rate is 5.5 percent. For nonveterans in the 35 to 39 category, the rate is 6.0 percent.

The Labor Department statistics on unemployment rates show that there is no longer a need for a separate job training program for veterans. Moreover, the Administration has proposed a $1 billion job training program for dislocated workers that will certainly serve a large number of veterans. Accordingly, for the reasons stated, the Administration opposes extension of the VJTA. Therefore, we oppose the provisions in sections 3 and 9 of S. 999 which would amend the VJTA.

Mr. Chairman, section 2 of the bill would require that Disabled Veterans' Outreach Program (DVOP) specialists be functionally responsible to the State Directors and Assistant Directors for Veterans' Employment and Training (SDVET's and ASDVET's). Since the DVOP program is under the jurisdiction of the Department of Labor, we would defer to that agency for comment.

Section 3 of the bill would make a series of amendments to provide for more effective utilization of Local Veterans' Employment Representatives (LVER's). One provision would require that the Assistant Secretary for Veterans' Employment and Training provide one LVER for each local employment service office at which 1,000 veterans registered during the 12-month period ending on the most recent June 30, or has a service area in which 5,000 veterans reside.

A second provision under section 3 of the bill would require each LVER hired 30 or more days after enactment to be a veteran, with hiring preference given to disabled veterans. A third provision would require that LVER's be functionally responsible to SDVET's and ASDVET's. Section 3 would also require LVER's to discharge their duties so that they provide services to veterans exclusively. In addition, this section would require the Secretary of Labor to approve the estimate of funds for LVER's only if it complies with the funding formula required by the proposed LVER staffing formula. Since these areas are under the jurisdiction of the Department of Labor, we would defer to that agency for comment.

There is a provision of section 3 which more directly concerns the Veterans Administration. It would require that LVER's provide or facilitate the provision of counseling services to veterans certified for eligibility under the VJTA. The VA has already counseled over 27,000 VJTA-eligible veterans and we will continue to work closely with the Department of Labor, the Job Services and LVER's and DVOP's to facilitate the process of counseling such veterans. As we stated, we oppose extension of the VJTA, so we oppose this provision consistent with our position.

Section 4 of the bill would require the Secretary of Labor to establish and implement uniform performance standards for DVOP's and LVER's. It would also require that an ASDVET formally participate in the formulation of annual performance ratings of LVER's under their jurisdiction. We defer to the Department of Labor for comment on these areas.

Section 5 of the bill would require that the Secretary of Defense provide to the Secretary of Labor and the Administrator of Veterans' Affairs the current list of employers participating in the National Committee for Employer Support of the Guard and Reserve (NCESGR), as well as an updated NCESGR list on a monthly basis. This should not be mandated in the law.

Section 6 of S. 999 contains other provisions clarifying the responsibilities of employment service personnel in each of the fifty states. One provision, section 6(a)(2), would amend

38 USC 2003 by including the promotion of employment of eligible veterans and other eligible persons as a requirement of the ASDVET's and SDVET's. Within the context of chapter 41 of title 38, section 2003(c)(2), this amendment would reinforce the mandate for coordination between the Labor Department's VETS and the VA. Specifically, "maximum coordination" would be required in the conduct of job fairs, job marts, "other special programs" to match eligibles with jobs and training opportunities, and programs and initiatives to promote the employment of eligibles.

Section 6(b)(3) would amend 38 USC 2003A(c) to add a new clause. This new language would have DVOP's provide counseling services to veterans with respect to the veterans' selection of and changes in vocations and veterans' vocational readjustment. We see the DVOP function as primarily concerned with information dissemination. We do want to stress, however, that we want to cooperate as much as possible with the Department of Labor in accommodating any referral from DVOP's which require the counseling services as we understand them.

Section 7 of the bill would establish a National Veterans' Employment and Training Service Institute. We understand that this provision would codify and enhance an existing facility, the National Veterans' Training Institute, which is located in Denver, Colorado, and set up by the Assistant Secretary for Veterans' Employment and Training. We defer to the Department of Labor for comment on this section.

Section 8 of S. 999 would require the VA to mandate that each VA regional office provide to appropriate public employment service offices and Department of Labor offices, as designated by the Secretary of Labor, a listing. This listing, on a monthly or more frequent basis, would include the names and addresses of employers who offer an approved program of job training under the VJTA.

Mr. Chairman, we have no problem with such notification and make notifications now on new and amended approvals.

Mr. Chairman, for the reasons previously stated, the Administration opposes extension of the VJTA; accordingly, we oppose section 9 which would amend that Act. However, we would appreciate the opportunity to provide a written analysis of such amendments at a later date.

Mr. Chairman, you have also asked for our comments on S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987," which you introduced on our behalf on April 3, 1987. Title I of this measure contains a number of changes to our educational programs; title II would repeal the Agency's authority to make education loans to veterans and other eligible persons; and title III contains a savings provision relating to the repeal of the education loan program.

The measure would amend the New GI Bill-Active Duty (chapter 30 of title 38, United States Code) to authorize a 2-week period after the date of an individual's initial entry on active duty within which that individual may elect not to receive chapter 30 education benefits. Currently, the law is unclear as to how much time the individual actually has to make this election after entry on active duty. Unless an affirmative election not to participate is made, the individual automatically becomes a participant in the New GI Bill program. We believe that a 2-week period from entry on active duty should be allowed for making this important decision.

S. 918 would also eliminate authorization for advance payment of subsistence allowances under chapter 31 to certain eligible veterans. These advance payments are intended to assist veterans in paying a portion of tuition and fees required prior to commencement of training, as well as to help to meet living expenses during initial periods of training. However, since the VA already pays all of a chapter 31 participant's training costs and since the participant is also eligible for advances from the Revolving Fund under section 1512 of that chapter, additional advance payments under chapter 31 are not justified. These advance payments also result in increased overpayments in some cases.

Under current law, an individual participating in the veteran-student services program is entitled to receive an advance payment equal to 40 percent of the total payable under his or her work-study agreement. Upon completion of the work specified in the agreement covering the advance payment, the individual receives payment of the remainder on an incremental basis. Unfortunately, this provision has engendered overpayments, totaling $637,129 during Fiscal Year 1986 alone. Collection often is not feasible because the debtor has dropped out of school. Moreover, the relatively small size of each individual overpayment makes its enforced collection generally not cost-effective. S. 918 would eliminate the provision for advance payment of the work-study allowance to the veteran-student.

The bill would also amend chapter 36 of title 38 to provide that, for purposes of measuring training time, the term "standard class session" means 2 hours or "two fifty-minute periods" of laboratory instruction. In the main, institutions of higher learning have modified their periods of instruction to 50 minutes for laboratory sessions. Under current law, however, a "standard class session" of laboratory instruction is defined only as 2 hours of such instruction. This can result in entitlement to payment for less than full-time training for pursuit of the 50-minute lab sessions, even though a veteran might be a full-time student, and has caused overpayments. The amendment would eliminate this problem.

The bill would amend the chapter 36 requirement for annual compliance surveys at each educational institution that offers one or more approved courses in which 300 or more veterans are enrolled, or which offers courses which do not lead to a standard college degree. This amendment would eliminate any reference to the numerical guidelines which currently exist and allow the Administrator to conduct compliance surveys at any institution whenever appropriate and in the best interest of the Government. In this manner, personnel can more effectively and efficiently be used where the need is greatest.

The bill makes a technical amendment to chapter 51 to require that award effective dates under chapter 32 correspond, to the extent feasible, with those for other programs.

Finally, as already noted, S. 918 would provide for the amendment or repeal of various sections of title 38 which authorize the VA to make education loans, including accelerated payments, to veterans and eligible persons. Notwithstanding this repeal, the Administrator would continue to collect the principal and interest on those loans which are outstanding, as well as any overpayments made under the program.

The VA education loan program has an excessively high default rate of 75 percent. In 1981, the Congress addressed the problem through greatly reducing the scope of the loan program. Since that time, the number of loans made has continued to decline, and we now believe that all authority of the VA to make education loans should be removed.

Additionally, provisions of S. 918 would rescind the VA's inoperative authority to make accelerated payments of educational assistance allowances. These accelerated payments were made contingent upon the states' establishment, before November 24, 1982, of programs which would pay the VA amounts which matched these accelerated payments. No state complied with this matching fund requirement and the program has now expired.

Technical amendments within this bill would delete all title 38 references to education loans consistent with the foregoing paragraphs. However, the "Veterans' Administration Education Loan Fund" would continue to be maintained in the U.S. Treasury to allow continued use of the education loan program's existing accounting system. The Administrator would be authorized to transfer all or part of these monies to the appropriation for readjustment benefits as necessary for the purposes of that account.

We appreciate your introduction of our bill, Mr. Chairman, and urge the Committee's favorable action on S. 918.

Mr. Chairman, that concludes my formal statement. I would be pleased to respond to any questions you or members of the Committee may have.

CHANGES IN EXISTING LAW MADE BY S. 999 AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

Sec.
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§ 2000. Findings

The Congress makes the following findings:

(1) As long as unemployment and underemployment continue as serious problems among disabled veterans and Vietnam-era veterans, alleviating unemployment and underemployment among such veterans is a national responsibility.

(2) Because of the special nature of employment and training needs of such veterans and the national responsibility to meet those needs, policies and programs to increase opportunities for such veterans to obtain employment, job training, counseling, and job placement services and assistance in securing advancement in employment should be effectively and vigorously implemented by the Secretary of Labor and such implementation should be accomplished through the Assistant Secretary of Labor for Veterans' [Employment.] *Employment and Training.*

§ 2001. Definitions

For the purposes of this chapter—

* * * * * * *

(7) The term "Secretary" means the Secretary of Labor.

§ 2002. Purpose

The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and eligible persons and that, to this end policies and regulations shall be promulgated and administered by an Assistant Secretary of Labor for Veterans' [Employment,] *Employment and Training,* established by section 2002A of this title, through a Veterans Employment Service within the Department of Labor, so as to provide such veterans and persons the maximum of employment and training opportunities, with priority given to the needs of disabled veterans and veterans of the Vietnam era through existing programs, coordination and merger of programs and implementation of new programs.

§ 2002A. Assistant Secretary of Labor for Veterans' Employment *and Training; national programs*

(a) There is established within the Department of Labor an Assistant Secretary of Labor for Veterans' [Employment,] *Employment and Training,* appointed by the President by and with the advice and consent of the Senate, who shall be the principal advisor to the Secretary [of Labor] with respect to the formulation and implementation of all departmental policies and procedures to carry out (1) the purposes of this chapter, chapter 42, and chapter 43 of this title, and (2) all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans. The employees of the Department of Labor administering chapter 43 of this title shall be administratively and functionally responsible to the Assistant Secretary of Labor for Veterans' [Employment.] *Employment and Training.*

(b) The Secretary shall—

(1) carry out all provisions of this chapter through the Assistant Secretary of Labor for Veterans' Employment and Training and administer through such Assistant Secretary all programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of disabled veterans, veterans of the Vietnam era, and all other eligible veterans and eligible persons;

(2) in order to make maximum use of available resources, encourage all such programs and all grantees under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions;

(3) ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to eligible veterans under all such programs by coordinating and consulting with the Administrator with respect to (A) programs conducted

under other provisions of this title, with particular emphasis on coordination of such programs with readjustment counseling activities carried out under section 612A of this title, apprenticeship or other on-job training programs carried out under section 1787 of this title, and rehabilitation and training activities carried out under chapter 31 of this title, and (B) the Veterans' Job Training Act (Public Law 98–77, 29 U.S.C. 1721 note);

(4) ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials;

(5) subject to subsection (c)(2) of this section, make available for use in each State, directly or by grant or contract, such funds as may be necessary (A) to support (i) disabled veterans' outreach program specialists appointed under paragraph (1) of section 2003A(a) of this title, and (ii) local veterans' employment representatives assigned under section 2004(b) of this title, and (B) to support the reasonable expenses of such specialists and representatives for training, travel, supplies, and fringe benefits, including travel expenses and per diem for attendance at the National Veterans' Employment and Training Service Institute established under section 2010A of this title;

(6) monitor and supervise on a continuing basis the distribution and use of funds provided for use in the States under clause (5) of this subsection; and

(7) monitor the appointment of disabled veterans' outreach specialists and the assignment of local veterans' employment representatives in order to ensure compliance with the provisions of section 2003A(a)(1) and 2004(a)(4), respectively.

(c)(1) The distribution and use of funds under subsection (b)(5) of this section in order to carry out sections 2003A(a) and 2004(a) of this title shall be subject to the continuing supervision and monitoring of the Secretary and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section or section 2003A or 2004 of this title.

(2) In determining the terms and conditions of a grant or contract under which funds are made available in a State under subsection (b)(5) of this section in order to carry out section 2003A(a) or 2004 (a) and (b) of this title, the Secretary shall take into account (A) the evaluations, carried out pursuant to section 2003(c)(13) of this title, of the performance of local employment offices in the State, and (B) the results of the monitoring, carried out pursuant to paragraph (1) of this subsection, of the use of funds under subsection (b)(5) of this section.

(d) The Secretary shall assign to each region for which the Secretary operates a regional office a representative of the Veterans' Employment and Training Service to serve as the Regional Director for Veterans' Employment and Training.

§ 2003. State and Assistant State Directors for Veterans' Employment *and Training*

(a) The Secretary [of Labor] shall assign to each State a representative of the Veterans' Employment Service to serve as the State Director for Veterans' [Employment,] *Employment and Training,* and shall assign full-time Federal clerical support to each such Director. The Secretary shall also assign to each State one Assistant State Director for Veterans' Employment *and Training* per each 250,000 veterans and eligible persons of the State veterans population and such additional Assistant State Directors for Veterans' Employment *and Training* as the Secretary shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the State Director for Veterans' Employment *and Training* to carry out effectively in that State the purposes of this chapter. Full-time Federal clerical support personnel assigned to State Directors for Veterans' Employment *and Training* shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

(b)(1)*(A)* Each State Director for Veterans' Employment *and Training* and Assistant State Director for Veterans' Employment *and Training* **[**(A)**]** *(i)* **[**shall**]** *shall, except as provided in subparagraph (B) of this paragraph,* be an eligible veteran who at the time of appointment has been a bona fide resident of the State for at least two years, and **[**(B)**]** *(ii)* shall be appointed in accordance with the provisions of title 5 governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5.

(B) The Secretary, where the Secretary determines that it is necessary to consider for appointment as a State Director for Veterans' Employment and Training an eligible veteran who is an Assistant State Director for Veterans' Employment and Training and has served in that capacity for at least 2 years, may waive the requirement in subparagraph (A)(i) of this paragraph that an eligible veteran be a bona fide resident of a State for at least 2 years in order to be eligible to be assigned as a State Director for Veterans' Employment and Training. In the event of such a waiver, preference shall be given to a veteran who meets such residency requirement and is equally as qualified for the position of State Director as such Assistant State Director.

(2) Each State Director for Veterans' Employment *and Training* and Assistant State Director for Veterans' Employment *and Training* shall be attached to the public employment service system of the State to which they are assigned. They shall be administratively responsible to the Secretary **[**of Labor**]** for the execution of the veterans' and eligible persons' counseling and placement policies of the Secretary through the public employment service system and in cooperation with other employment and training programs administered by the Secretary, by grantees of Federal or federally funded employment and training programs in the State, or directly by the State.

(c) In cooperation with the staff of the public employment service system and the staffs of each such other program in the State, the State Director for Veterans' Employment *and Training* and Assistant State Directors for Veterans' Employment *and Training* shall—

(1)*(A) functionally supervise the provision of services to eligible veterans and eligible persons by such system and such program and their staffs, and (B)* be functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans and eligible persons in employment and job training [programs;] *programs, including the program conducted under the Veterans' Job Training Act (Public Law 98–77; 29 U.S.C. 1721 note);*

(2) engage in job development and job advancement activities for eligible veterans and eligible persons, including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans and eligible persons with appropriate job and job training [opportunities;] *opportunities and otherwise to promote the employment of eligible veterans and eligible persons;*

(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's or an eligible person's particular qualifications with an available job or on-job training or apprenticeship opportunity which is commensurate with those qualifications;

(4) promote the interest of employers and labor unions in employing eligible veterans and eligible persons and in conducting on-job training and apprenticeship programs for such veterans and persons;

(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans and eligible persons available for employment and training and to keeping eligible veterans and eligible persons advised of opportunities for employment and training;

(6) promote and facilitate the participation of veterans in Federal and federally funded employment and training programs and directly monitor the implementation and operation of such programs to ensure that eligible veterans, veterans of the Vietnam era, disabled veterans, and eligible persons receive such priority or other special consideration in the provision of services as is required by law or regulation;

(7) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans and eligible persons;

(8) supervise the listing of jobs and subsequent referrals of qualified veterans as required by section 2012 of this title;

(9) be responsible for ensuring that complaints of discrimination filed under such section are resolved in a timely fashion;

(10) working closely with appropriate Veterans' Administration personnel engaged in providing counseling or rehabilitation services under chapter 31 of this title, cooperate with employers to identify disabled veterans who have completed or are participating in a vocational rehabilitation training program under such chapter and who are in need of employment;

(11) cooperate with the staff of programs operated under section 612A of this title in identifying and assisting veterans who have readjustment problems and who may need employment placement assistance or vocational training assistance; [and]

(12) when requested by a Federal or State agency or a private employer, assist such agency or employer in identifying and acquiring prosthetic and sensory aids and devices which tend to enhance the employability of disabled [veterans.] *veterans; and*

(13) not less frequently than annually, conduct an evaluation at each local employment office of the services provided to eligible veterans and eligible persons and make recommendations for corrective action as appropriate.

§ 2003A. Disabled veterans' outreach program

(a)[(1) The Secretary of Labor, acting through the Assistant Secretary for Veterans' Employment, shall make available for use in each State, directly or by grant or contract, such funds as may be necessary to support a disabled veterans' outreach program designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era.]

[(2)]*(1)* [Funds provided] *The amount of funds made available* for use in a State under [this subsection] *section 2002A(b)(5)(A)(i) of this title* shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in such State. Each such specialist shall be a veteran. Preference shall be given in the appointment of such specialists to *qualified* disabled veterans of the Vietnam era. If the Secretary finds that a *qualified* disabled veteran of the Vietnam era is not available for any such appointment, preference for such appointment shall be given to other *qualified* disabled veterans. If the Secretary finds that no *qualified* disabled veteran is available for such appointment, such appointment may be given to any *qualified* veteran. Each such specialist shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State government of the State concerned.

[(3) The Secretary, acting through the Assistant Secretary of Labor for Veterans' Employment, shall also make available for use in the States such funds, in addition to those made available to carry out paragraphs (1) and (2) of this subsection, as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits.]

[(4)] *(2)* Specialists appointed pursuant to [paragraph (2) of] this subsection shall be in addition to and shall not supplant employees assigned to local employment service offices pursuant to section 2004 of this title.

[(5) The distribution and use of funds provided for use in States under this section shall be subject to the continuing supervision and monitoring of the Assistant Secretary for Veterans' Employment and shall not be governed by the provisions of any other law, or any regulations prescribed thereunder, that are inconsistent with this section.]

(b)(1) Pursuant to regulations prescribed by the Secretary of Labor, disabled veterans' outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for the provision of services in the following order:

(A) Services to disabled veterans of the Vietnam era who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title.

(B) Services to other disabled veterans.

(C) Services to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.

In the provision of services in accordance with this paragraph, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

(2) Not more than three-fourths of the disabled veterans' outreach program specialists in each State shall be stationed at local employment service offices in such State. The Secretary, after consulting the Administrator and the State Director for Veterans' Employment *and Training* assigned to a State under section 2003 of this title, may waive the limitation in the preceding sentence for that State so long as the percentage of all disabled veterans' outreach program specialists that are stationed at local employment service offices in all States does not exceed 80 percent. Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 612A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined to be appropriate in accordance with regulations prescribed by the Secretary after consultation with the Administrator.

(c) Each disabled veterans' outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

(1) Development of job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

(2) Pursuant to regulations prescribed by the Secretary after consultation with the Administrator, promotion and development of apprenticeship and other on-job training positions pursuant to section 1787 of this title.

(3) The carrying out of outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency and local employment service offices, and community-based organizations.

(4) Provision of appropriate assistance to community-based groups and organizations and appropriate grantees under other Federal and federally funded employment and training programs *(including part C of title IV of the Job Training Partner-*

ship Act (29 U.S.C. 1501 et seq.)) in providing services to such veterans.

(5) Provision of appropriate assistance to local employment service office employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

(6) Consultation and coordination with other appropriate representatives of Federal, State, and local programs *(including the program conducted under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note))* for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

(7) The carrying out of such other duties as will promote the development of entry-level and career job opportunities for such veterans.

(8) Development of outreach programs in cooperation with appropriate Veterans' Administration personnel engaged in providing counseling or rehabilitation services under chapter 31 of this title, with educational institutions, and with employers in order to ensure maximum assistance to disabled veterans who have completed or are participating in a vocational rehabilitation program under such chapter.

(9) Provision of counseling services to veterans with respect to veterans' selection of and changes in vocations and veterans' vocational adjustment.

(10) Provision of services as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).

[(d) The Secretary of Labor shall administer the program provided for by this section through the Assistant Secretary of Labor for Veterans' Employment. The Secretary shall monitor the appointment of disabled veterans' outreach program specialists to ensure compliance with the provisions of subsection (a)(2) of this section with respect to the employment of such specialists.]

§ 2004. **[Employees of local offices]** *Local veterans' employment representatives*

[Except as may be determined by the Secretary of Labor based on a demonstrated lack of need for such services, there shall be assigned by the administrative head of the employment service in each State one or more employees, preferably eligible veterans or eligible persons, on the staffs of local employment service offices, whose services shall be fully devoted to discharging the duties prescribed for the veterans' employment representative and such representative's assistants.]

(a)(1) The total of the amount of funds made available for use in the States under section 2002A(b)(5)(A)(ii) of this title shall be sufficient to support the assignment of 1,600 full-time local veterans' employment representatives and the States' administrative expenses associated with the assignment of that number of such representatives and shall be allocated to the several States so that each State receives funding sufficient to support—

(A) the number of such representatives who were assigned in such State on January 1, 1987, plus one additional such representative;

(B) the percentage of the 1,600 such representatives for which funding is not provided under clause (A) of this paragraph which is equal to the average of (i) the percentage of all veterans residing in the United States who reside in such State, (ii) the percentage of the total of all eligible veterans and eligible persons registered for assistance with local employment offices in the United States who are registered for assistance with local employment offices in such State, and (iii) the percentage of all full-service local employment offices in the United States which are located in such State; and

(C) the State's administrative expenses associated with the assignment of the number of such representatives for which funding is allocated to the State under clauses (A) and (B) of this paragraph.

(2)(A) The local veterans' employment representatives allocated to a State pursuant to paragraph (1) of this subsection shall be assigned by the administrative head of the employment service in the State, with the concurrence of the State Director for Veterans' Employment and Training, so that as nearly as practical (i) one full-time such representative is assigned to each local employment office at which a total of at least 1,100 eligible veterans and eligible persons is registered for assistance, (ii) one additional full-time such representative is assigned to each such local employment office for each 1,500 such individuals above 1,100 such individuals who are so registered at such office, and (iii) one half-time such representative is assigned to each local employment office at which at least 350 but less than 1,100 such individuals are so registered.

(B) In the case of a local employment office at which less than 350 such individuals are so registered, the head of such office (or the designee of the head of such office) shall be responsible for ensuring compliance with the provisions of this title providing for priority services for veterans and priority referral of veterans to Federal contractors.

(3) For the purposes of this subsection, an individual shall be considered to be registered for assistance with a local employment office during a program year if the individual—

(A) registered, or renewed such individual's registration, for assistance with the office during that program year; or

(B) so registered or renewed such individual's registration during a previous program year and, in accordance with regulations which the Secretary shall prescribe, is counted as still being registered for administrative purposes.

(4) Each local veterans' employment representative shall be a veteran. Preference shall be given in the assignment of such representatives to qualified disabled veterans. If the Secretary finds that no qualified disabled veteran is available for any such assignment, such assignment may be given to a qualified veteran who is not a disabled veteran.

(b) Local veterans' employment representatives shall be assigned, in accordance with this section, by the administrative head of the employment service in each State.

(c)(1) The services provided by local veterans' employment representatives shall be subject to the functional supervision specified in section 2003(c)(1)(A) of this title.

(2)(A) Except as provided in subparagraph (B) of this paragraph, the work of local veterans' employment representatives shall be fully devoted to discharging at the local level the duties and functions specified in section 2003 (c)(1)(B) and (c) (2) through (12) of this title.

(B) The duties of local veterans' employment representatives shall include providing, or facilitating the provision of, counseling services to veterans who, pursuant to section 5(b)(3) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), are certified as eligible for participation under such Act.

§ 2004A. Performance of disabled veterans' outreach program specialists and local veterans' employment representatives

(a)(1) After consultation with State employment agencies or their representatives, or both, the Secretary shall prescribe, and provide for the implementation and application of, standards for the performance of disabled veterans' outreach program specialists appointed under section 2003A(a) of this title and local veterans' employment representatives assigned under section 2004(b) of this title and shall monitor the activities of such specialists and representatives.

(2) Such standards shall be designed to provide for—

(A) in the case of such specialists, the effective performance at the local level of the duties and functions of such specialists specified in section 2003A(b) and (c) of this title,

(B) in the case of such representatives, the effective implementation at the local level of the duties and functions specified in paragraphs (1)(B) and (2) through (12) of section 2003(c) of this title, and

(C) the monitoring and rating activities prescribed by subsection (b) of this section.

(3) Such standards shall include as one of the measures of the performance of such a specialist the extent to which the specialist, in serving as a case manager under section 14(b)(1)(A) of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note), facilitates rates of successful completion of training by veterans participating in programs of job training under that Act.

(4) In entering into an agreement with a State for the provision of funding under section 2002A(b)(5) of this title, the Assistant Secretary of Labor for Veterans' Employment and Training personally may make exceptions to such standards to take into account local conditions and circumstances, including the employment, counseling, and training needs of the eligible veterans and eligible persons served by the office or offices to which the exception would apply.

(b)(1) State Directors for Veterans' Employment and Training and Assistant State Directors for Veterans' Employment and Training shall regularly monitor the performance of the specialists and representatives referred to in subsection (a)(1) of this section through the application of the standards required to be prescribed by such subsection (a)(1).

(2) A State Director for Veterans' Employment and Training, or a designee of such Director, shall submit to the head of the employment service in the State recommendations and comments in connec-

tion with each annual performance rating of a disabled veterans' outreach program specialist or local veterans' employment representative in the State.

§ 2005. Cooperation of Federal agencies

(a) All Federal agencies shall furnish the Secretary [of Labor] such records, statistics, or information as the Secretary may deem necessary or appropriate in administering the provisions of this chapter, and shall otherwise cooperate with the Secretary in providing continuous employment and training opportunities for eligible veterans and eligible persons.

(b) For the purpose of assisting the Secretary and the Administrator in identifying employers with potential job training opportunities under the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note) and otherwise in order to carry out this chapter, the Secretary of Defense shall provide to the Secretary and to the Administrator (1) not more than 30 days after the date of the enactment of this subsection, the then-current list of employers participating in the National Committee for Employer Support of the Guard and Reserve, and (2) thereafter, on the fifteenth day of each month, updated information regarding the list.

§ 2006. Estimate of funds for administration; authorization of appropriations

(a) The Secretary [of Labor] shall estimate the funds necessary for the proper and efficient administration of this chapter and chapters 42 and 43 of this title. Such estimated sum shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor. Estimated funds necessary for proper counseling, placement, and training services to eligible veterans and eligible persons provided by the various State public employment service agencies shall each be separately identified in the budgets of those agencies as approved by the Department of Labor. Funds estimated pursuant to the first sentence of this subsection shall include amounts necessary [to fund the disabled veterans' outreach program under section 2003A] *in all of the States for the purposes specified in paragraph (5) of section 2002A(b) of this title and to fund the National Veterans' Employment and Training Service Institute under section 2010A* of this title and shall be approved by the Secretary [of Labor] only if the level of funding proposed is in compliance with such [section.] *sections.* Each budget submission with respect to such funds shall include [a] separate [listing] *listings* of the proposed [number,] *numbers,* by State, [for] *of* disabled [veterans] *veterans'* outreach program specialists appointed under [such section.] *section 2003A(a)(1) of this title and local veterans' employment representatives assigned under section 2004(b) of this title, together with information demonstrating the compliance of such budget submission with the funding requirements specified in the preceding sentence.* [The Secretary shall carry out this subsection through the Assistant Secretary for Veterans' Employment.]

(b) There are authorized to be appropriated such sums as may be necessary for the proper and efficient administration of this chapter.

(c) In the event that the regular appropriations Act making appropriations for administrative expenses for the Department of Labor with respect to any fiscal year does not specify an amount for the purposes specified in subsection (b) of this section for that fiscal year, then of the amounts appropriated in such Act there shall be available only for the purposes specified in subsection (b) of this section such amount as was set forth in the budget estimate submitted pursuant to subsection (a) of this section.

(d) Any funds made available pursuant to subsections (b) and (c) of this section shall not be available for any purpose other than those specified in such subsections, except with the approval of the Secretary [of Labor, upon the recommendation of the Assistant Secretary of Labor for Veterans' Employment,] based on a demonstrated lack of need for such funds for such purposes.

§ 2007. Administrative controls; annual report

(a) The Secretary [of Labor] shall establish administrative controls for the following purposes:

(1) To insure that each eligible veteran, especially veterans of the Vietnam era and disabled veterans and each eligible person, who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance such veteran's and eligible person's employment prospects substantially, such as individual job development or employment counseling services.

(2) To determine whether or not the employment service agencies in each State have committed the necessary staff to insure that the provisions of this chapter are carried out; and to arrange for necessary corrective action where staff resources have been determined by the Secretary [of Labor] to be inadequate.

(b) The Secretary [of Labor] shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary [of Labor] required by subsection (c) of this section.

[(c) The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, specification of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, special disabled veterans, and eligible persons who registered for assistance with the public employment service system and, of each of such categories, the number referred to jobs, the number placed in permanent jobs as defined by the Secretary, the number referred to and the number placed in employment and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service. The report shall also include any determination by the Secretary under section 2004, 2006, or 2007(a) of this title and a statement of the reasons for such determination. The report shall also include a report on activities carried out under section 2003A of this title.]

(c) Not later than February 1 of each year, the Secretary shall report annually to the appropriate committees of the Congress on the success during the preceding fiscal year of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter and programs for the provision of employment and training services to meet the needs of veterans. The report shall include—

(1) specification, by State, of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, special disabled veterans, and eligible persons who registered for assistance with the public employment service system and, of each such categories, the numbers referred to and placed in jobs, the numbers referred to and placed in jobs and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service;

(2) any determination made by the Secretary during the preceding fiscal year under section 2006 of this title or subsection (a)(2) of this section and a statement of the reasons for such determination;

(3) a report on activities carried out during the preceding fiscal year under sections 2003A and 2004 of this title; and

(4) a report on the operation during the preceding fiscal year of programs for the provision of employment and training services designed to meet the needs of veterans, including an evaluation of the effectiveness of such programs during such fiscal year in meeting the requirements of section 2002A(b) of this title, the efficiency with which services were provided under such programs during such year, and such recommendations for further legislative action (including the need for any changes in the formulas governing the appointment of disabled veterans' outreach program specialists under section 2003A(a)(2) of this title and the assignment of local veterans' employment representatives under section 2004(b) of this title and the allocation of funds for the support of such specialists and representatives) relating to veterans' employment as the Secretary considers appropriate.

§ 2008. Cooperation and coordination [with the Veterans' Administration]

(a) In carrying out the Secretary's responsibilities under this chapter, the Secretary [of Labor] shall from time to time consult with the Administrator and keep the Administrator fully advised of activities carried out and all data gathered pursuant to this chapter to insure maximum cooperation and coordination between the Department of Labor and the Veterans' Administration.

(b) The Administrator shall require each regional office of the Veterans' Administration to provide to appropriate employment service offices and Department of Labor offices, as designated by the

Secretary, on a monthly or more frequent basis, the name and address of each employer located in the area served by such regional office that offers a program of job training which has been approved by the Administrator under section 7 of the Veterans' Job Training Act (Public Law 98-77; 29 U.S.C. 1721 note).

[§ 2009. National veterans' employment and training programs

[(a) The Secretary of Labor shall—

[(1) administer through the Assistant Secretary of Labor for Veterans' Employment all national programs under the jurisdiction of the Secretary for the provision of employment and training services designed to meet the needs of disabled veterans and veterans of the Vietnam era;

[(2) in order to make maximum use of available resources, encourage all such national programs and all grantees under such programs to enter into cooperative arrangements with private industry and business concerns (including small business concerns), educational institutions, trade associations, and labor unions;

[(3) ensure that maximum effectiveness and efficiency are achieved in providing services and assistance to such veterans under all such national programs by coordinating and consulting with the Administrator with respect to programs conducted under other provisions of this title, with particular emphasis on coordination of such national programs with readjustment counseling activities carried out under section 612A of this title, apprenticeship or other on-job training programs carried out under section 1787 of this title, and rehabilitation and training activities carried out under chapter 31 of this title; and

[(4) ensure that job placement activities are carried out in coordination and cooperation with appropriate State public employment service officials.

[(b) Not later than February 1 of each year, the Secretary of Labor shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the operation during the preceding fiscal year of national programs for the provision of employment and training services designed to meet the needs of veterans described in subsection (a) of this section. Each such report shall include an evaluation of the effectiveness of such programs during such fiscal year in meeting the goals established in such subsection, the efficiency with which services were provided under such programs during such year, and such recommendation for further legislative action relating to veterans' employment as the Secretary considers appropriate.]

§ 2010. Secretary of Labor's Committee on Veterans' Employment

(a) * * *

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(b) [The] *Notwithstanding section 2002A(b)(1) of this title, the* committee shall be chaired by the [Secretary of Labor.] *Secretary.* The Assistant Secretary of Labor for Veterans' Employment *and*

Training shall serve as vice chairman of the committee. The committee shall include—

(1) representatives of—

(A) the Administrator;

(B) the Secretary of Defense;

(C) the Secretary of Health and Human Services;

(D) the Secretary of Education;

[(D)**]** *(E)* the Director of the Office of Personnel Management;

[(E)**]** *(F)* the Chairman of the Equal Employment Opportunity Commission; **[**and**]**

[(F)**]** *(G)* the Administrator of the Small Business Administration; and

(H) the Postmaster General; and

(2) a representative of each of the chartered veterans' organizations having a national employment program.

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§ 2010A. National Veterans' Employment and Training Service Institute

In order to provide for such training as the Secretary considers necessary and appropriate for the efficient and effective provision of employment, job-training, placement, and related services to veterans, the Secretary shall establish and make available such funds as may be necessary to operate a National Veterans' Employment and Training Service Institute for the training of disabled veterans' outreach program specialists, local veterans' employment representatives, State Directors for Veterans' Employment and Training, and Assistant State Directors for Veterans' Employment and Training, and such other personnel involved in the provision of employment, job-training, counseling, placement, or related services to veterans as the Secretary considers appropriate.

§ 2010B. Special unemployment study

(a) The Secretary, through the Bureau of Labor Statistics, shall conduct, on a biennial basis, studies of unemployment among special disabled veterans and among veterans who served in the Vietnam Theater of Operations during the Vietnam era and promptly report to the Congress on the results of such studies.

(b) The first study under this section shall be completed not later than July 1, 1988.

* * * * * * *

VETERANS' JOB TRAINING ACT

(Public Law 98-77, August 15, 1983, amended by section 704 of Public Law 98-100, November 21, 1983; section 212 of Public Law 98-543, October 24, 1984; and section 201 of Public Law 99-238, January 13, 1986)

* * * * * * *

DEFINITIONS

SEC. 3. For the purposes of this Act:

* * * * * * *

(3) The terms "veteran", [“Korean conflict”,] "compensation", "service-connected", [State,] "active military, naval, or air service", *and* "State", [and "Vietnam era",] have the meanings given such terms in paragraphs (2), [(9),] (13), (16), (20), *and* (24), [and (29),] respectively, of section 101 of title 38, United States Code.

* * * * * * *

ELIGIBILITY FOR PROGRAM; DURATION OF ASSISTANCE

SEC. 5. (a)(1) To be eligible for participation in a job training program under this Act, a veteran must [be a Korean conflict or Vietnam-era veteran who]—

(A) [is] *be* unemployed at the time of applying for participation in a program under this Act; [and]

(B)*(i)* [has] *have* been unemployed for at least 10 of the 15 weeks immediately preceding the date of such veteran's application for participation in a program under this [Act.] *Act; or*

(ii)(I) have been terminated or laid off from employment as the result of a plant closing or major reduction in the number of persons employed by the veteran's prior employer, and (II) have no realistic opportunity to return to employment in the same or similar occupation in the geographical area where the veteran previously held employment; and

(C)(i) have served in the active military, naval, or air service for a period of more than 180 days; or

(ii)(I) have been discharged or released from the active military, naval, or air service for a service-connected disability; or (II) be entitled to compensation (or but for the receipt of retirement pay be entitled to compensation).

* * * * * * *

(b)(1) * * *

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(3)(A) [The] *Subject to section 14(c), the* Administrator shall certify as eligible for participation under this Act a veteran whose application is approved under this subsection and shall furnish the veteran with a certificate of that veteran's eligibility for presentation to an employer offering a program of job training under this Act. Any such certificate shall expire 90 days after it is furnished to the veteran. The date on which a certificate is furnished to a veteran under this paragraph shall be stated on the certificate.

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APPROVAL OF EMPLOYER PROGRAMS

SEC. 7. (a)(1) * * *

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(d) An application under subsection (c) shall include a certification by the employer of the following:

* * * * * * *

(12) That, as applicable, the employer will provide each participating veteran with the full opportunity to participate in a personal interview pursuant to section 14(b)(1)(A) during the veteran's normal workday.

[(12)**]** *(13)* That the program meets such other criteria as the Administrator may determine are essential for the effective implementation of the program established by this Act.

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DISCONTINUANCE OF APPROVAL OF PARTICIPATION IN CERTAIN EMPLOYER PROGRAMS

SEC. 11. *(a)* If the Administrator finds at any time that a program of job training previously approved by the Administrator for the purposes of this Act thereafter fails to meet any of the requirements established under this Act, the Administrator may immediately disapprove further participation by veterans in that program. The Administrator shall provide to the employer concerned, and to each veteran participating in the employer's program, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval. The employer and each such veteran shall be notified of such disapproval, the reasons for such disapproval, and the opportunity for a hearing. Notification shall be by a certified or registered letter, and a return receipt shall be secured.

(b)(1) If the Secretary, after consultation with the Administrator and in accordance with regulations which the Administrator and the Secretary shall jointly prescribe to carry out this subsection, determines that the rates of veterans' successful completion of an employer's programs of job training previously approved by the Administrator for the purposes of this Act is disproportionately low, the Administrator shall disapprove participation in such programs on the part of veterans who had not begun such participation on the date that the employer is notified of the disapproval.

(2)(A) A disapproval under paragraph (1) shall remain in effect until such time as the Administrator determines that adequate remedial action has been taken. In determining whether the remedial actions taken by the employer are adequate to ensure future avoidance of a disproportionately low rate of successful completion, the Administrator may, except in the case of an employer which the Secretary determines meets the criteria specified in clause (A) or (B) of section 14(b)(2), consider the likely effects of such actions in combination with the likely effects of using the payment formula described in subparagraph (B) of this paragraph. If the Administrator finds that the combined effects of such actions and such use are adequate to ensure future avoidance of such a rate, the Administrator may revoke the disapproval with the revocation conditioned upon such use for a period of time that the Administrator considers appropriate under the circumstances.

(B) The payment formula referred to in subparagraph (A) is a formula under which, subject to sections 5(c) and 8(a)(2), the amount paid to the employer on behalf of a veteran shall be—

(i) in the case of a program of job training of 4 or more months duration—

(I) for the first 4 months of such program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during such months;

(II) for any period after the first 4 months, 50 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that period; and

(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for such first 4 months pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent; and

(ii) in the case of a program of job training of less than 4 months duration—

(I) for the months prior to the final scheduled month of the program, 30 percent of the product of the starting hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during the months prior to such final scheduled month;

(II) for the final scheduled month of the program, 50 percent of the product of the actual hourly rate of wages paid to the veteran by the employer (without regard to overtime or premium pay) and the number of hours worked by the veteran during that month; and

(III) upon the veteran's successful completion of the program, the amount that would have been paid, above the amount that was paid, for the months prior to the final scheduled month of the program pursuant to subclause (I) if the percentage specified in subclause (I) were 50 percent rather than 30 percent.

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COUNSELING

SEC. 14. (a) * * *

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[(b)(1) The Secretary shall provide for a program under which periodic (not less than monthly) contact is maintained with each veteran participating in a program of job training under this Act for the purposes of avoiding unnecessary termination of employment, referring the veteran to appropriate counseling if necessary, and facilitating the veteran's successful completion of such program; and

[(2) after consultation with the Administrator, shall provide for a program of counseling services designed to resolve difficulties that may be encountered by veterans during their training under this Act and shall advise all veterans and employers participating under this Act of the availability of such services and other related counseling services and assistance and encourage them to request such services and assistance whenever appropriate.]

(b)(1) The Administrator and the Secretary shall jointly provide for—

(A) a program under which, except as provided in paragraph (2), a disabled veterans' outreach program specialist appointed under section 2003A(a) of title 38, United States Code, is assigned as a case manager for each veteran participating in a program of job training under this Act, the veteran has an in-person interview with the case manager not later than 60 days after entering into a program of training under this Act, and periodic (not less frequent than monthly) contact is maintained with each such veteran for the purpose of (i) avoiding unnecessary termination of employment, (ii) referring the veteran to appropriate counseling, if necessary, (iii) facilitating the veteran's successful completion of such program, and (iv) following up with the employer and the veteran in order to determine the veteran's progress in the program and the outcome regarding the veteran's participation in and successful completion of the program;

(B) a program of counseling services (to be provided pursuant to subchapter IV of chapter 3 of such title and sections 612A, 2003A, and 2204 of such title) designed to resolve difficulties that may be encountered by veterans during their training under this Act; and

(C) a program of information services under which (i) each veteran who enters into a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (I) under subparagraphs (A) and (B), (II) through Veterans' Administration counseling and career-development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of such title) and under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), and (III) through other appropriate agencies in the community, and (ii) veterans and employers are encouraged to request such services whenever appropriate.

(2) No case manager shall be assigned pursuant to paragraph (1)(A) in the case of the employees of an employer if the Secretary determines that—

(A) the employer has an appropriate and effective employee assistance program that is available to all veterans participating in the employer's programs of job training under this Act; or

(B) the rate of veterans' successful completion of the employer's programs of job training under this Act, either cumulatively or during the previous program year, is 60 percent or higher.

(c) Before a veteran who voluntarily terminates from a program of job training under this Act or is involuntarily terminated from such

program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this Act, such veteran must be provided by the Administrator with appropriate vocational counseling in light of the veteran's termination.

INFORMATION AND OUTREACH; USE OF AGENCY RESOURCES

SEC. 15. (a)(1) * * *

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(f) The Secretary shall, on a not less frequent than quarterly basis, collect from the heads of State employment services and State Directors for Veterans' Employment and Training information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of veterans who receive counseling services pursuant to section 14, who are referred to employers participating under this Act, who participate in programs of job training under this Act, and who complete such programs, and the reasons for veterans' non-completion.

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. *(a)* There is authorized to be appropriated to the Veterans' Administration $150,000,000 for each of fiscal years 1984 and 1985 and a total of $65,000,000 for fiscal years 1986, 1987, and 1988 for the purpose of making payments to employers under this Act and for the purpose of section 18 of this Act. *There is also authorized to be appropriated, in addition to the appropriations authorized by the preceding sentence, $60,000,000 for each of the fiscal years 1988 and 1989 for the purpose of making payments to employers under this Act.* Amounts appropriated pursuant to this section shall remain available until September 30, [1989.] *1991.*

(b) Notwithstanding any other provision of law, any funds appropriated under subsection (a) for any fiscal year which are obligated for the purpose of making payments under section 8 on behalf of a veteran (including funds so obligated which previously had been obligated for such purpose on behalf of another veteran and were thereafter deobligated) and are later deobligated shall immediately upon deobligation become available to the Administrator for obligation for such purpose. The further obligation of such funds by the Administrator for such purpose shall not be required, directly or indirectly, to be delayed in any manner by any officer or employee in the executive branch.

TERMINATION OF PROGRAM

SEC. 17. [(a) Except as provided in subsection (b), assistance] *Assistance* may not be paid to an employer under this Act—

(1) on behalf of a veteran who initially applies for a program of job training under this Act after [December 31, 1987;] *June 30, 1989;* or

(2) for any such program which begins after [June 30, 1988.] *December 31, 1989.*

[(b) If funds for fiscal year 1986 are appropriated for the purpose of making payments to employers under this Act but are not both so appropriated and made available by the Director of the Office of Management and Budget to the Veterans' Administration on or before February 1, 1986, for such purpose, assistance may be paid to an employer under this Act on behalf of a veteran if the veteran—

[(1) applies for a program of job training under this Act within 1 year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director; and

[(2) begins participation in such program within 18 months after such date.]

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